BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 060822-TL

In the Matter of:

PETITION FOR RELIEF FROM CARRIER-OF-LAST-RESORT (COLR) OBLIGATIONS PURSUANT TO FLORIDA STATUTES 364.025(6)(D) FOR TWO PRIVATE SUBDIVISIONS IN NOCATEE DEVELOPMENT, BY BELLSOUTH TELECOMMUNICATIONS, INC.
_____/

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PROCEEDINGS:	HEARING
BEFORE:	CHAIRMAN LISA POLAK EDGAR COMMISSIONER MATTHEW M. CARTER, II COMMISSIONER KATRINA J. McMURRIAN COMMISSIONER NANCY ARGENZIANO COMMISSIONER NATHAN A. SKOP
DATE:	Tuesday, July 24, 2007
TIME:	Commenced at 9:39 a.m. Concluded at 2:03 p.m.
PLACE:	Betty Easley Conference Center Room 148 4075 Esplanade Way Tallahassee, Florida
REPORTED BY:	LINDA BOLES, RPR, CRR Official FPSC Reporter (850) 413-6734

DOCUMENT NUMBER-DATE
06505 JUL 31 07
FPSC-COMMISSION CLERK

APPEARANCES:

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FLOYD R. SELF, ESQUIRE, Messer, Caparello & Self, P.A, Post Office Box 15579, Tallahassee, Florida 32317, appearing on behalf of Nocatee Development Company and SONOC Company, LLC.

H. F. RICK MANN, ESQUIRE, and PATRICK K. WIGGINS, ESQUIRE, FPSC General Counsel's Office, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, appearing on behalf of the Commission Staff.

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P R O C E E D I N G S

CHAIRMAN EDGAR: Good morning. Call this hearing to order. And we'll begin by asking our staff to read the notice. Mr. Mann.

MR. MANN: Yes, Madam Chairman. Pursuant to notice issued June 27, 2007, this time and place has been set for hearing in Docket Number 060822-TL.

CHAIRMAN EDGAR: Thank you. And we'll move on and take appearances beginning with the petitioner.

MR. MEZA: Thank you, Madam Chairman. Jim Meza and AT&T -- I mean, excuse me, Jim Meza and Tracy Hatch on behalf of AT&T Florida.

CHAIRMAN EDGAR: Thank you.

MR. SELF: Good morning, Commissioners. Floyd Self of the Messer, Caparello & Self law firm on behalf of Nocatee Development Company and the other development company partners that are listed in the order.

CHAIRMAN EDGAR: Thank you. And staff.

MR. WIGGINS: Good morning, Madam Chair. Patrick Wiggins and Rick Mann for staff.

CHAIRMAN EDGAR: Thank you. Okay. Preliminary matters. Should we take up the exhibits?

MR. MANN: Yes, ma'am. Madam Chairman, staff has compiled a list of discovery exhibits that we believe can be entered into the record by stipulation. In an effort to

facilitate the entry of those exhibits, we have created a chart that we have provided to the parties, the Commissioners and the court reporter. In lieu of reading off and marking each exhibit for the record, I would suggest that the list itself be marked as the first hearing exhibit and that the discovery exhibits be marked thereafter in sequential order as set forth in the chart.

Staff has also included in this chart the prefiled exhibits that are attached to the witnesses' testimony in this case. To further facilitate entry of these exhibits into the record, I would suggest that these exhibits also be marked as set forth in the exhibit chart.

CHAIRMAN EDGAR: Okay. Is there any objection? Mr. Meza?

MR. MEZA: AT&T Florida has no objection to Exhibits 1 through 11.

CHAIRMAN EDGAR: Mr. Self?

MR. SELF: I have no objections, Commissioner.

CHAIRMAN EDGAR: Okay. Then we will go ahead and show the Exhibits 1 through 28 marked as on the list with the Comprehensive Exhibit List as Exhibit Number 1. We will go ahead and enter Exhibits 1 through 11 into the record. And we will take up Exhibits 12 through 28 as we come to them during the hearing today.

(Exhibits 1 through 11 marked for identification and

admitted into the record.)

Any other preliminary matters?

MR. MANN: Yes, Commissioner. Also staff and the parties have stipulated to the deposition transcript of Richard Ray, Nocatee president. That will be stipulated into evidence except for certain sections of that, and that comprises Page 15, Line 23, through Page 23, Line 17. Staff does reserve the right to cross-examine Ms. Shiroishi for impeachment purposes, but that will not be in the document itself as entered into the record.

CHAIRMAN EDGAR: Okay. And then so that I understand, am I correct that at this time staff is offering Exhibit 12, requesting that it be entered into the record with the exception of the material from Page 15, Line 23, through Page 23, Line 17? Did I get that correct?

MR. MANN: Correct, Madam Chairman.

CHAIRMAN EDGAR: Okay. Is there any objection to that at this time?

MR. MEZA: No objection.

CHAIRMAN EDGAR: No objection from AT&T.

Mr. Self?

MR. SELF: No objection.

CHAIRMAN EDGAR: No objection. Okay. Then show Exhibit -- questions? No. Okay. Show Exhibit 12 entered into the record with the exception that I have noted. Does that

work?

MR. MANN: Yes, Madam Chairman. Thank you.

(Exhibit 12 marked for identification and admitted into the record.)

CHAIRMAN EDGAR: Okay. All right. Then we've got -- let me catch up here.

Okay. Any other preliminary matters from staff, anything from the parties, or are we ready to move on?

MR. MANN: I believe we're ready to move on, Madam Chairman.

CHAIRMAN EDGAR: Okay. Then the next thing I have down is opening statements. I understand from the prehearing order that ten minutes have been allotted for each party, that ten minutes including opening and closing statements. So before we move to that, I would ask you to give me some idea of how you would like to allocate that time and I'll keep track of it with you, if you would like.

Mr. Meza, do you intend to make an opening and a closing statement?

MR. MEZA: At this time I do. I anticipate that opening will be no more than five minutes.

CHAIRMAN EDGAR: And would you like to reserve the remainder?

MR. MEZA: I would like to reserve the remainder for closing and, if appropriate, some portion of that for rebuttal

closing.

CHAIRMAN EDGAR: Okay. All right. We can take that apportionment up at that time.

Mr. Self, do you intend to make an opening and/or a closing statement?

MR. SELF: Yes, Commissioner.

CHAIRMAN EDGAR: Okay. And can you give me an idea of approximately how much of that ten minutes you would like to use for opening and how much reserve for closing?

MR. SELF: I think the opening will take maybe five minutes. So whatever is left I'll just reserve.

CHAIRMAN EDGAR: Okay. Is there anything before we move to opening statements? No?

Okay. Mr. Meza, you are recognized.

MR. MEZA: Thank you, Madam Chairman, and thank you, Commissioners. My name is Jim Meza and I am a lawyer for AT&T Florida. And first I'd like to thank you for the opportunity to be before you today.

This case and COLR in general are two very important matters for our company, and we are looking forward to presenting our case to you today. And what this case is really about when you boil down all the testimony that we provided and the exhibits and discovery responses is it's driven by a developer's decision. And specifically in this case it's the developer's decision to restrict the types of services that we

can provide to the residents of two private communities within the Nocatee development. And Nocatee is a huge multitown development bordering two counties near Jacksonville, Duval and St. Johns County. And this petition relates to two private communities within that development where the developer, through an easement, is requiring BellSouth and limiting AT&T Florida to providing voice services only. Through this easement, which they have required us to sign, we would be prohibited from providing data service or video service to the private residents in these two communities.

Now the developer is imposing these restrictions, we believe, for his own financial gain. Specifically he has entered into a 15-year agreement with Comcast that provides significant door fees from Comcast to the developer for every home sold within the private communities and in general throughout Nocatee. Comcast has also agreed to provide to the developer a percentage of the recurring revenue that Comcast receives for every resident that signs up for Comcast voice data and video service. So for every resident that Comcast gets, the developer is going to get some portion of that recurring revenue.

Now Comcast has no obligation to pay this money if the developer would grant us an unlimited easement and we actually turn up service for video and data, and that's what the contract says between Comcast and the developer. So what

has the developer done to ensure that his right to get this revenue from Comcast is preserved? The developer has told us that we can only provide voice service. That way he's guaranteed to get this money and Comcast doesn't have an out.

Now to avoid any confusion, I want to be clear, we want to serve and provide all of our services to Nocatee, but it is our position that we should not be forced to make an uneconomic investment because a developer has hijacked COLR for his own economic interest. And in this particular case, we're not asking that you grant us relief when we're at a competitive disadvantage because another provider has an exclusive marketing agreement with the developer. In fact, in Nocatee we are providing service to the public communities even though the developer is required to market Comcast service, including voice service, from the moment a potential buyer shows up until the actual closing of a house. But because we are not restricted in those public communities from providing services that we would like to provide, we're going to take on that what we consider to be a competitive disadvantage and just compete given the restrictions that are placed against us. The key fact is that we're not restricting the type of services that we're providing. Now that's different than in the private communities. In the private communities the developer has told us you can only provide voice. That is the problem.

364.025(6)(d) allows the PSC to waive a LEC's COLR

obligation for good cause shown. Here we submit to you that good cause has been established by the following facts:

One, AT&T Florida is restricted by the developer to providing voice services only.

Two, Comcast will be providing voice service and residents will be able to receive voice service from other VoIP providers and wireless carriers.

Three, we expect a take rate of our voice service of approximately 20 percent or less. And I surmise that it could be significantly less than that 20 percent because of the unique circumstances of the Comcast contract, which, if you remember the comment I made about the percentage of recurring revenue that the developer gets, that means that the developer has every economic incentive to drive customers to Comcast's voice service because he gets a percentage of it.

Three -- I mean, four, we will incur significant costs to install facilities to serve the two private communities. As Mr. Bishop will testify before you today, we estimate those costs to be $2.3 million.

Now we have offered to share some of this economic burden to serve by charging the developer costs that exceed our estimated five-year annual revenue for serving this property. In other words, we took our cost, subtracted from that the amount of revenue that we anticipate based upon five years, and said we'll take on that economic burden, you pay us the

remainder, and they've refused. They have refused to take on any financial burden associated with serving this property with voice services only.

We believe that these facts establish good cause such that AT&T's COLR obligation should be waived. And if they don't, I truly don't know what does. And now I don't know specifically what Nocatee is going to argue today because they've not put up a witness in this case, but I do believe that any attack will be on the fringes regarding irrelevant issues and largely will avoid those facts that I just identified for you that we believe establish good cause.

Finally, if you don't find that we are relieved of our COLR obligation, I ask that you find that we have no obligation to install facilities until the developer pays special construction charges. Pursuant to your line extension rule and our special construction tariff which you have approved, we have calculated the amount of special construction charges that we believe the developer owes. And it is our common practice as well as our tariff that we have no obligation to install facilities even with a COLR obligation until we get paid. We believe that that rule and that application of our tariff should apply equally as well here if our COLR, if our COLR petition is denied.

Again, we look forward to presenting our case to you. We have two very qualified witnesses to present the facts that

we believe support our petition, and I appreciate the opportunity to make this opening statement.

CHAIRMAN EDGAR: Thank you, Mr. Meza. And I'm going to show you at six minutes that you used, so that will be four at the end.

And Mr. Self.

MR. SELF: Thank you, Madam Chairman.

Good morning, Commissioners. I appreciate the opportunity to be here with you this morning and to make this opening statement.

The public policy ramifications of this case have the potential to long outlive your tenures on this Commission. If you follow the evidence and the law and deny the carrier-of-last-resort waiver and the compensation that AT&T is seeking today, then you will have fulfilled your statutory obligation to ensure universal service and to promote facilities-based local telephone service competition.

Now AT&T's entire uneconomic to serve argument is based not upon limitations on its ability to provide local voice telephone service. There are none, and their witnesses have agreed with that in their testimony in depositions and discovery. Rather, it's their desire to provide services that are not regulated by this Commission, video and broadband, and that's the cornerstone on which they're basing their case, their inability to provide those services.

On the other hand, if you grant the COLR waiver and otherwise require compensation as a precondition to the provision of telephone service, then you will effectively have denied telephone service to thousands of residents in the Nocatee community. But, more importantly, you will have established a dangerous precedent that allows AT&T to decide where, when and at what cost it will provide local telephone service. This means that AT&T will control not just telephone service, but also the availability and the quality of broadband, video and anything else that they decide to bundle that's not subject to your jurisdiction. Quite simply, unless AT&T has the unfettered ability to deliver its world on its terms, then AT&T can deny and even withdraw phone service from developments, neighborhoods and potentially even individual customers.

So you may ask yourself if this is not good cause for relief, then what is? Unfortunately, this case cannot answer that question. Now that may not be very satisfying to you, but that's not the purpose of this proceeding today.

However, I would suggest to you that the interplay of the existing COLR waiver statute, the presently scheduled sunset of the COLR obligation in January of 2009 and the application of the CIAC rules raise a multitude of policy questions that merit a more comprehensive, perhaps industrywide investigation in a separate proceeding. But for today this

case is limited to several thousand people in the Nocatee community and whether they're going to be able to have AT&T voice telephone service, which you fully regulate and which you are required by law -- which AT&T is required by law to require without requiring the developer to pay the cost of building AT&T's network to serve them.

On a final note, in considering this case, please do not assume that because Nocatee is here today without a witness that this case is not important to them. However, given the limited resources of the company and the very real cost of participating in Commission proceedings, Nocatee has tried to strike a balance as it's participated in this case. Since most everything you need is in the record or will be when we finish today, our effort will be focused on the posthearing brief where Nocatee will provide its analysis of the evidence and its legal arguments in support of the denial of the waiver and in support of the denial of the compensation that they're seeking. Thank you very much.

CHAIRMAN EDGAR: Thank you, Mr. Self. And I show you at five minutes.

MR. SELF: Thank you.

CHAIRMAN EDGAR: Mr. Meza, I think we're ready to move on to witnesses. Why don't we go ahead and swear both of them in at the same time.

MR. MEZA: Okay.

CHAIRMAN EDGAR: If the two witnesses are in the room, if you would both stand with me. Thank you. And raise your right hand.

(Witnesses collectively sworn.)

Thank you.

MR. MEZA: Thank you, Madam Chair.

If this is the appropriate time, I'd like to call Larry Bishop to the stand.

CHAIRMAN EDGAR: It is. Mr. Bishop, if you would approach.

LARRY BISHOP

was called as a witness on behalf of AT&T Florida and, having been duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. MEZA:

Q Good morning, Mr. Bishop. Can you please give your name and address for the record.

A My name is Larry Bishop. My working address is 675 West Peachtree Street in Atlanta, Georgia.

Q By whom are you employed and in what capacity?

A I am employed by AT&T, and I'm currently a Supervising Manager in the Southeast Engineering and Construction Support Staff.

Q Did you cause to be filed in this proceeding 18 pages of direct testimony and 14 exhibits?

A Yes, I did.

Q Do you have any changes to your testimony or to those exhibits?

A No, I do not.

MR. MEZA: Madam Chair, if this is the appropriate time, I would ask that Mr. Bishop's direct testimony be moved into the record as if read.

CHAIRMAN EDGAR: The prefiled direct testimony will be entered into the record as though read.

MR. MEZA: I would also ask, if appropriate, that his 14 exhibits be moved into the record.

CHAIRMAN EDGAR: Mr. Meza, I generally like to go ahead and enter the exhibits after the testimony, if that works for you.

MR. MEZA: Yes, ma'am.

CHAIRMAN EDGAR: It helps me keep track.

MR. MEZA: Thank you.

(Exhibits 15 through 28 marked for identification.)

REDACTED

AT&T FLORIDA

DIRECT TESTIMONY OF LARRY BISHOP

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 060822-TL

JUNE 8, 2007

Q. **PLEASE STATE YOUR NAME, YOUR POSITION WITH AT&T SOUTHEAST AND YOUR BUSINESS ADDRESS.**

A. My name is Larry Bishop. I am employed by AT&T Southeast as a Supervising Manager in the Southeast Outside Plant Engineering & Construction Support Staff for the nine-state AT&T Southeast region. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375.

Q. **PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR BACKGROUND AND EXPERIENCE.**

A. I graduated from Florida State University in 1998 with a Bachelor of Science degree in Electrical Engineering. I also graduated from the University of Florida in 2003 with a Masters in Business Administration. I began employment with AT&T Southeast in 1999 and have held various positions in the network organization including Outside Plant Engineer and Loop Capacity Manager. In these positions, I was responsible for planning fiber optic cable, digital loop

electronics, broadband, and new greenfield deployment. I have also coordinated with property developers regarding the placement of telecommunications facilities for single family and multi-dwelling unit developments. Additionally, I have dealt directly with developers, have planned the network architecture, and have designed the Engineering Work Order that would be implemented by AT&T Southeast construction forces to deploy facilities.

I have held my current position as a Supervising Manager since August 2005. In this position, I am responsible for supporting the AT&T Southeast region in the following fields: outside plant engineering, greenfield deployment planning, and capital investment for the rehabilitation of outside plant. I have supervised AT&T Southeast building industry consultants and outside plant engineers that work with property developers to place telecommunications facilities for single family and multi-dwelling unit developments. In addition, I have also supervised a team of subject matter experts that are responsible for supporting loop deployment planning, digital loop electronics planning and provisioning, proactive maintenance, and unbundled network elements in the AT&T Southeast region.

Q. **HAVE YOU PREVIOUSLY TESTIFIED BEFORE ANY REGULATORY AGENCIES?**

A. No.

Q. **HAVE YOU ATTACHED ANY EXHIBITS TO YOUR TESTIMONY?**

A. Yes, I have attached the following exhibits to my testimony: Exhibit LB-1, Exhibit LB-2, Exhibit LB-3, Exhibit LB-4, Exhibit LB-5, Exhibit LB-6, Exhibit LB-7, Exhibit LB-8, Exhibit LB-9, Exhibit LB-10, Exhibit LB-10, Exhibit LB-11, Exhibit LB-12, Exhibit LB-13 and Exhibit LB-14.

Q. **WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

A. The purpose of my testimony is to describe the anticipated network deployment, associated costs, and the five times annual exchange revenue analysis performed by BellSouth Telecommunications Inc. d/b/a AT&T Florida ("AT&T Florida") for two of the private subdivisions, Riverwood and Coastal Oaks, located in the single-family development in St. Johns and Duval Counties known as Nocatee ("Nocatee" collectively or "Riverwood" and "Coastal Oaks", respectively). A drawing of the Nocatee development is attached hereto as Exhibit LB-1. In addition, I will discuss the status of negotiations between Nocatee Development Company, as the representative of SONOC Company, LLC – the owner and master developer of Nocatee (hereinafter referred to collectively as "Developer"), and AT&T Florida regarding the charges submitted by AT&T Florida for the deployment of facilities in Nocatee.

Q. **WILL YOU PLEASE PROVIDE US WITH MORE DETAILS REGARDING NOCATEE?**

A. Nocatee is a 16,000-acre master planned community under construction near Jacksonville, Florida in unincorporated Duval and St. John's Counties. Nocatee includes public and private communities. The public communities are not the subject of AT&T Florida's Petition. Rather, the Petition relates to two private subdivisions in Nocatee that will eventually have a total of approximately 1,919 single-family homes[1] (891 at Coastal Oaks and 1,028 at Riverwood). AT&T Florida understands from the builders of Riverwood and Coastal Oaks, Pulte Home Corporation ("Pulte") and Toll Jacksonville Limited Partnership a/k/a Toll Brothers ("Toll Brothers"), respectively, that the two subdivisions will be built in phases and that the initial phase will consist of 228 units for Riverwood and 260 units for Coastal Oaks.

Q. **WHAT IS AT&T FLORIDA'S UNDERSTANDING OF THE SERVICE ARRANGEMENTS THAT THE DEVELOPER HAS MADE WITH AN ALTERNATIVE PROVIDER?**

A. It is AT&T Florida's understanding that the Developer (1) has entered into an exclusive marketing arrangement with Comcast for its voice service within the two private subdivisions in Nocatee; (2) has entered into exclusive service arrangements with Comcast for video and data services in the two private subdivisions; and (3) is only willing to provide AT&T Florida a voice-only easement for the two private subdivisions in Nocatee.

[1] Approximately 3,072 single-family homes (891 at Coastal Oaks and 2, 181 at Riverwood) were originally planned. The updated number of homes is based upon build-out schedule information for Riverwood and Coastal Oaks received from Pulte and Toll Brothers.

Q. **PLEASE PROVIDE US DETAILS OF THE VARIOUS DISCUSSIONS AND CORRESPONDENCE SENT BETWEEN THE DEVELOPER AND AT&T FLORIDA REGARDING THE DEVELOPER'S REQUEST THAT AT&T FLORIDA PROVIDE VOICE SERVICE IN NOCATEE.**

A. In 2006, representatives of the Developer and AT&T Florida discussed technical and engineering matters related to the provision of service within Nocatee. As part of AT&T Florida's due diligence, in September 2006, AT&T Florida reviewed the proposed plats for the Riverwood and Coastal Oaks subdivisions. This review revealed that the plats did not grant AT&T Florida any easement rights.

On September 25, 2006, AT&T Florida contacted the Developer regarding the easements that would be necessary for AT&T Florida to place facilities at Riverwood and Coastal Oaks. That same day, AT&T Florida received an e-mail reply from the Developer advising that the request had been passed along to their counsel. A copy of the September 25, 2006 e-mail is attached hereto as Exhibit LB-2.

On September 25, 2006, AT&T Florida contacted the Developer's counsel about the necessary easements, including inquiring about the timeframe within which the easements would be provided and noting that time was of the essence due to

AT&T Florida's understanding that first occupancy was expected in early 2007. Again, that same day, the Developer's counsel responded via e-mail that she was working on a proposed form of easement and asked for clarification regarding the timing concerns raised by AT&T Florida. A copy of this September 25, 2006 e-mail is attached hereto as Exhibit LB-3. AT&T Florida provided clarification that same day.

On September 26, 2006, AT&T Florida received an email from the Developer's counsel confirming that she had received AT&T Florida's clarifications and that the proposed form of easement would soon be ready. A copy of the September 26, 2006 e-mail is attached hereto as Exhibit LB-4.

On September 28, 2006, AT&T Florida received an e-mail from the Developer's counsel advising that it would be "premature" to circulate easements in advance of further "business" discussions between the Developer and AT&T Florida. A copy of the September 28, 2006 e-mail is attached hereto as Exhibit LB-5. Subsequent to this date and into December 2006, AT&T Florida and the Developer had several discussions regarding Nocatee, including consideration of several options that AT&T Florida was hopeful would enable it to economically serve these two private communities. Unfortunately, no agreement was reached.

On December 13, 2006, AT&T Florida finally received the proposed form of easement for the Riverwood and Coastal Oaks subdivisions. A copy of the

December 13, 2006 letter from the Developer and the attached form of easement is attached hereto as Exhibit LB-6. The proposed form easement restricts AT&T Florida to providing "voice-only" services in the Coastal Oaks and Riverwood subdivisions. Specifically, the easement states that: ". . . [BellSouth] may use the wires and facilities installed under this Easement for any type of voice service only and the rights granted herein shall specifically exclude delivery of internet/data services and/or video/television services or telecommunications services other than voice service by [BellSouth]."

On January 3, 2007, AT&T Florida forwarded correspondence to the Developer indicating that certain provisions in the proposed easements were unacceptable, including the voice-only restriction. A copy of the January 3, 2007 correspondence to the Developer is attached hereto as Exhibit LB-7.

On January 23, 2007, the Developer's counsel responded to AT&T Florida's January 3, 2007 letter. The January 23, 2007 letter from the Developer is attached hereto as Exhibit LB-8. The Developer's counsel agreed with most of AT&T Florida's requested revisions provided in its AT&T Florida's January 3, 2007 letter; however, the Developer continued to insist on a voice-only restriction in the Riverwood, Coastal Oaks and the other private communities within Nocatee. To date, AT&T Florida has not received an acceptable easement from the Developer.

Q. HAS AT&T FLORIDA DEVELOPED A NETWORK DEPLOYMENT STRATEGY FOR RIVERWOOD AND COASTAL OAKS? IF SO, WHAT IS IT?

A. Yes. The proposed network architecture for delivery of voice service in Nocatee is fiber-to-the-curb. A diagram illustrating this architecture is attached hereto as Exhibit LB-9. This architecture involves the placement of remote terminal cabinets containing loop electronics to serve specified areas of the development. The remote terminal cabinets will be fed by fiber optic cables that originate from the serving central office for that area. Distribution fiber facilities are then placed from the remote terminal to smaller enclosures that contain loop electronics (known as optical network units) located in each area of the proposed development. From each optical network unit, buried copper service drops extend to the residences served by a specific optical network unit. Service drop enclosures are then placed in between the optical network units and the living units to provide access points to the buried service drops.

Q. IS THE PROPOSED NETWORK DEPLOYMENT STRATEGY REASONABLE AND EFFICIENT?

A. Yes. The proposed fiber-fed remote terminal sites will be fed from an existing backbone feeder fiber cable that runs adjacent to the Nocatee development. In addition, existing copper feeder facilities were not available in the area to serve

the entire Nocatee development. Due to the increasing cost of copper, and the fact that existing feeder fiber is available in the area, a fiber-to-the-curb architecture was determined to be the most efficient and reasonable method for serving Nocatee.

Q. **WHAT IS THE TOTAL ESTIMATED BUILD-OUT COST FOR THE RIVERWOOD AND COASTAL OAKS SUBDIVISIONS?**

A. AT&T Florida estimates that in order to serve all phases of Riverwood and Coastal Oaks, it will be required to expend at least $1.8 million. A spreadsheet detailing the costs for each projected phase of Riverwood and Coastal Oaks is attached hereto as Confidential and Proprietary Exhibit LB-10.

Q. **WHAT ARE THE INITIAL BUILD-OUT PHASES FOR RIVERWOOD AND COASTAL OAKS?**

A. Pulte and Toll Brothers, the builders of Riverwood and Coastal Oaks, respectively, have provided AT&T Florida diagrams of the two subdivisions. The diagrams are attached hereto as Exhibit LB-11 and show the planned build-out. Based upon this information, AT&T Florida understands that the initial phases for each development are Riverwood, Areas 1-4, and Coastal Oaks, Phases 1-2a. AT&T Florida understands that the build-out of the remainder of Riverwood and Coastal Oaks will occur in later phases.

Q. **WHAT IS THE ESTIMATED BUILD-OUT COST FOR THE INITIAL PHASES OF EACH SUBDIVISION?**

A. Based upon the initial build-out information provided by Pulte and Toll Brothers, AT&T Florida's estimated build-out cost is $278,889 for Riverwood (Areas 1-4) and $356,887 for Coastal Oaks (Phases 1 & 2a). Generally speaking, the costs include material, labor and overhead costs. Spreadsheets providing how the estimated build-out costs were derived are attached hereto as Confidential and Proprietary Exhibit LB-12. Due to a computational error, AT&T Florida had originally calculated and advised the Developer that the estimated build-out cost for Coastal Oaks (Phases 1 & 2a) was $332,712. AT&T Florida has made the decision to use the lower cost estimate ($332,712) rather than the higher cost estimate ($356,887) for the purposes of this proceeding.

There will be additional costs to build-out the remaining phases as they are built in the future.

Q. **WHAT TYPES OF ITEMS ARE INCLUDED IN MATERIAL COST?**

A. The material required to place remote terminal sites include the following: the cabinet, conduit, concrete pads, fill dirt, driveways, handholes, fencing, electric hookup, gas powered back-up generators, gas tanks and electric transfer panels. In addition, in order to activate the remote terminal cabinets, electronics such as

multiplexers, channel banks, plug-ins and other associated equipment are placed and turned up within the cabinet. Plug-ins are not included in the material cost provided in this testimony.

With regard to installation of the fiber distribution facilities, the following material is required: composite fiber/copper cable, conduit for roads and driveways, handholes, optical network units, subtending copper terminals, buried service wire closures at every lot line where a terminal is not present, buried service wire(s) from the optical network unit or copper terminal to the buried service wire closures, drop wire(s) from the wire closure to the home and an interface on the side of each residence.

Q. **WHAT TYPES OF LABOR ARE INCLUDED IN THE LABOR COST?**

A. The labor required to place remote terminal cabinets includes engineering and design, a surveyor, a placement contractor, an electrician, a fencing contractor, a concrete contractor, cable splicers, and technicians needed to install plug-ins and turn up electronics systems at the remote terminal and the central office.

With regard to installation of the fiber distribution facilities, the following labor is required: engineering and design, placement contractor, cable splicers, and technicians/contractors to place optical network units, copper terminals, install

plug-in electronics, and to activate and turn up distribution systems including required performance testing and provisioning.

Q. **WHAT TYPES OF COSTS DOES OVERHEAD CAPTURE?**

A. While I am not a cost expert, it is my general understanding that overhead captures costs that are incurred by AT&T Florida to produce all of its services, but cannot be directly attributed to and are not caused uniquely by any single service or combination of services (e.g. expenses of corporate operations and investment related costs).

Corporate Operations costs are the costs incurred in administering the Corporation. Included in these costs is a pro rata share of the cost of Human Resources, Accounting & Finance, External Relations, Procurement, Legal, Executive, Planning and Information Management.

Investment Related Costs are maintenance costs and other ownership costs associated with corporate assets such as Land, Buildings, Office Equipment and General Purpose Computers.

Q. **DOES AT&T FLORIDA'S TARIFF ALLOW IT TO CHARGE THE DEVELOPER THE ABOVE REFERENCED COSTS?**

A. Yes. Pursuant to Section A5.2.2.D of AT&T Florida's Tariff, the customer has the option of having the liabilities and charges billed based on either estimated or actual costs. Estimated costs will be billed unless the customer notifies AT&T Florida of the selection of the actual cost option in writing prior to the start of special construction. The Tariff provides that the estimated or actual costs for special construction may include one or more of the items specified in Section A5.5.1. Section A5.2.2(D)(1). Section A5.5.1 identifies recoverable costs as the following: labor, engineering and materials; supervision; operating expenses, e.g. maintenance, administration, etc.; return on investment; taxes, depreciation, charges associated with construction provided by another company; charges for securing private rights-of-way; charges for securing use of poles and pole line attachments on other company poles; equipment or space rental; expenses made necessary for damages caused by the customer or its agents; any other identifiable associated cost; cost for rearrangements and changes; and supporting structures.

Q. **HAVE YOU REVIEWED THE ESTIMATED COSTS FOR AT&T FLORIDA'S NETWORK DEPLOYMENT TO COASTAL OAKS AND RIVERWOOD?**

A. Yes. The local Network organization prepared the estimated costs using the standard engineering pricing system OSPCM (Outside Plant Construction Management) utilized by AT&T Florida. I have reviewed the estimated costs provided by the local Network organization and I concur that these costs

encompass the necessary and reasonable work required for AT&T Florida to deploy facilities to Riverwood and Coastal Oaks. Further, the methodology used by AT&T Florida to calculate its costs is consistent with AT&T Florida's policies and procedures for determining cost estimates pursuant to Section A5 of AT&T Florida's Tariff.

Q. **CAN YOU EXPLAIN ANY DIFFERENCE BETWEEN THE ESTIMATED COSTS PROVIDED IN AT&T FLORIDA'S PETITION AND THE ESTIMATED COSTS PRESENTED NOW?**

A. The original cost estimate used in AT&T Florida's Petition was developed using an average cost per living unit determined by analysis of costs to deploy a similar network at similar subdivisions. The updated cost estimate provided above was developed using detailed design requirements specific to the Riverwood and Coastal Oaks subdivisions. In addition, the placement costs of buried service drops, network interface units and overhead amounts were not included in the original estimate.

Q. **WHAT AMOUNT, IF ANY, HAS AT&T FLORIDA REQUESTED FROM THE DEVELOPER IN ORDER TO DEPLOY FACILITIES TO RIVERWOOD (AREAS 1-4) AND COASTAL OAKS (1 & 2a)?**

A. Pursuant to Rule 25-4.067, F.A.C. and AT&T Florida's Tariff – Section A5, AT&T Florida has determined that the Developer is responsible for $443,935 for the deployment of facilities to provide voice service to Riverwood (Areas 1-4) and Coastal Oaks (Phases 1 & 2a). On May 8, 2007, AT&T Florida forwarded correspondence to the Developer requesting payment of this amount. AT&T Florida's May 8, 2007 correspondence to the Developer is attached hereto as Confidential and Proprietary Exhibit LB-13.

Q. HOW WAS THE AMOUNT REQUESTED FROM THE DEVELOPER CALCULATED?

The amount requested from the Developer was determined by subtracting the projected five times annual exchange revenue for the initial phases of Riverwood and Coastal Oaks ($76,524 at Riverwood (Areas 1-4) and $91,142 at Coastal Oaks (Phases 1 & 2a)) from the estimated build-out costs ($278,889 for Riverwood and $332,712[2] for Coastal Oaks).

Q. HOW WAS THE FIVE TIMES ANNUAL EXCHANGE REVENUE FOR RIVERWOOD AND COASTAL OAKS CALCULATED?

A. The projected five year annual exchange revenue for Riverwood and Coastal Oaks was based upon consideration of the following factors: (1) Average

[2] As indicated above, there was a computational error in AT&T Florida's spreadsheet for Coastal Oaks (Phases 1 & 2a) provided to the Developer, where AT&T Florida undercharged the Developer. AT&T Florida has made the decision to use this lower cost estimate for the purposes of this proceeding.

Revenue per Unit ("ARPU"), which is based upon actual historical revenue associated with residential lines in Florida, which Mrs. Shiroishi explains further; (2) a 20% take rate, the rationale for which Mrs. Shiroishi explains in detail; and (3) occupancy forecast based on when homes are expected to be occupied based upon developer-provided construction schedules. Confidential and Proprietary spreadsheets that detail AT&T's Florida's revenue calculations are attached hereto as Exhibit LB-14.

Q. **WILL THERE BE ADDITIONAL REQUESTS FOR PAYMENTS IN THE FUTURE?**

A. Yes. The subsequent requests for payment will be handled in due course as additional construction is planned. In addition, the amount of these additional costs to serve future phases of Riverwood and Coastal Oaks will vary depending on when these phases are built.

Q. **WHAT IS THE STATUS OF AT&T FLORIDA'S NEGOTIATIONS WITH THE DEVELOPER?**

A. On or about April 25, 2007, AT&T Florida met with the Developer and discussed charges applicable to the deployment of facilities at Riverwood and Coastal Oaks. During the discussion, the Developer requested an analysis of how AT&T Florida derived its five times annual exchange revenue calculation. In addition, the

Developer requested that AT&T Florida contact Toll Brothers and Pulte to obtain updated build-out schedule information for Riverwood and Coastal Oaks.

As requested by the Developer on May 8, 2007, AT&T Florida forwarded correspondence to the Developer explaining how AT&T Florida arrived at the requested amount, which is based on the estimated build out costs of the development for Riverwood (Areas 1-4) and for Coastal Oaks (Phases 1-2a) less the projected five times annual exchange revenue from the residents in these initial phases. *See* Confidential and Proprietary Exhibit LB-13.

On May 24, 2007, AT&T Florida participated in a discussion with the Developer, in which the details of AT&T Florida's request for reimbursement were discussed. AT&T Florida advised that (1) it was prepared to begin work deploying facilities upon receiving payment, (2) time was of the essence and (3) the above figure may rise if AT&T Florida was forced to incur overtime or expedite charges in order to timely serve residents. In this discussion, AT&T Florida advised that the proposed network architecture was the most economical method of serving the subdivisions.

Q. **HAS THE DEVELOPER MADE A COUNTER-PROPOSAL TO AT&T FLORIDA'S REQUEST?**

A. To date, the Developer has not made a counter-offer to AT&T Florida's request for payment of the requested amount.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

BY MR. MEZA:

Q Mr. Bishop, do you have a summary of your testimony?

A Yes, I do.

Q Can you please provide it?

A Yes. Thank you. AT&T Florida is requesting the Florida Public Service Commission to grant AT&T Florida relief from its carrier-of-last-resort obligation to serve the private subdivisions in Nocatee, a 16,000-acre master plan community near Jacksonville in unincorporated Duval and St. Johns Counties. Two of the private communities within Nocatee referenced in this petition are Riverwood and Coastal Oaks. The ultimate number of units that will be constructed in Riverwood and Coastal Oaks are 1,028 and 891 respectively. A fiber-to-the-curb architecture was chosen to serve the private communities within Nocatee since this architecture will be a cheaper alternative than copper distribution, given the size and geographical location of the Nocatee development. The estimated cost to place facilities to serve the ultimate number of units in Riverwood and Coastal Oaks is approximately $2.3 million. The estimated cost to place facilities to serve the initial phases of Riverwood and Coastal Oaks is approximately $279,000 and $357,000 respectively. As a result of exclusive service arrangements between Nocatee and another provider for the provision of video and data in the private communities and the exclusive marketing arrangement with the

same provider for all services, AT&T anticipates a low take rate for voice service in the private communities.

An analysis of the forecasted five times annual revenue was conducted using a standard financial model which includes inputs such as build-out rate, forecasted take rate and average revenue per unit. The estimated five times annual revenue for the initial phases of Riverwood and Coastal Oaks is approximately $77,000 and $91,000 respectively. Working according to the general subscriber service tariff and guidance from the March 13th, 2007, Commission order, AT&T Florida has provided a bill for special construction charges to Nocatee for approximately $444,000 as reimbursement of costs exceeding the forecasted five times revenue for the initial phases. To date, Nocatee has not agreed to pay the special construction charges presented and, to date, no counteroffer has been presented. Thank you.

MR. MEZA: Mr. Bishop is available for cross-examination, Madam Chair.

CHAIRMAN EDGAR: Thank you.

Mr. Wiggins, were you going to go next?

MR. WIGGINS: Yes, ma'am. I only have a couple of questions based on his introduction.

CHAIRMAN EDGAR: Mr. Self, does that work for you for Mr. Wiggins and then --

MR. SELF: Yes.

CHAIRMAN EDGAR: Okay. Mr. Wiggins.

CROSS EXAMINATION

BY MR. WIGGINS:

Q The question, Mr. Bishop, is -- thank you, Madam Chair. The question is, Mr. Bishop, in your testimony I thought you estimated the total cost as $1.8 million and now today it's $2.5 million. We just jumped up, we just jumped up 40 percent.

A The $1.8 million figure does not include the overhead charges. When you factor in the overhead charges, the total cost is $2.3 million for the ultimate build-out.

Q So there are changes to your testimony?

A Well, the $1.8 million cost figure in the testimony does not include the overhead charge.

Q Okay. And then also in your summary you, when you were discussing your projected penetration rates, you referred to an exclusive arrangement with Comcast and you were speaking very quickly. Were you saying -- was that an exclusive marketing agreement, is that what you said?

A It is our understanding that for data and video services there's an exclusive arrangement with Comcast, and that is seen through our, through the easement restriction provided to us where we're only able to provide voice.

As far as marketing arrangements, it is our understanding that there is a marketing agreement for all three

services in all the communities of Nocatee.

Q Okay. So your, your testimony is based on your understanding that the arrangement with Comcast for digital and video is an exclusive one; correct?

A That is my understanding.

MR. WIGGINS: Thank you. I have no further questions.

CHAIRMAN EDGAR: Thank you.

Mr. Self, do you have questions on cross for this witness?

MR. SELF: Yes, Madam Chairman. Thank you.

CROSS EXAMINATION

BY MR. SELF:

Q Good morning, Mr. Bishop. Floyd Self.

I just have a few questions for you regarding your testimony. First, as I understand your testimony, the network that's being proposed for the two private communities is the same network architecture that AT&T is constructing or will construct in the private, excuse me, in the public communities; is that correct?

A That is correct.

Q And so in both the public and the private communities there's a fiber-to-the-curb architecture.

A That is correct. The reason why we chose to provide a fiber-to-the-curb architecture is that it is our belief that

that is actually a cheaper alternative to serve Nocatee, given the size and the geographical location of the development.

We actually performed an analysis of several developments within the surrounding areas of Nocatee. Some of the developments were served by copper facilities, some of them were served by fiber facilities. In our analysis, the copper distribution was actually a more expensive alternative. And given the fact that copper prices continue to increase -- the average cost per linear foot of copper is about $1.08; whereas, the average cost for fiber is about 84 cents. So we did the analysis and fiber-to-the-curb is the cheapest alternative no matter what services we're able to provide.

Q Okay. And except for the quantities, in general are the materials, labor and overhead required for the private communities essentially the same as the materials, labor and overhead that's required for the public communities?

A The types of materials and the types of labor, yes, would be the same. There is a difference in the plug-ins that would be placed in the public community. Since we are allowed to offer data in the public communities, there's some additional electronic plug-ins placed at the RT, the remote terminal site and the optical network units within the development. But the architecture itself is very similar, yes.

Q So in the public communities it's your intent to put in those facilities and equipment that you just described so

that you can provide the data and the broadband, the broadband and the video in those communities potentially; correct?

A That is correct. And, in fact, those plug-ins, I did want to mention that, the plug-ins that I just referenced were not included in the cost that we presented the, to the developer and are not included in the $2.3 million estimated cost. We did not include any cost for plug-ins.

Q Okay. Is the network and the public communities being designed and built to serve 100 percent of the residents?

A Yes. And, in fact, we have to do that. And for the most part we don't know where the take rate is going to be. We don't know which living units will take the AT&T service versus Comcast. So the architecture that we would place would be through each of the neighborhoods, each of the roads, and the buried service wire drops would have to be placed at each living unit because we don't know where the take rate is going to be.

Q Okay. And in the public communities is there a drop to each residence that's also being constructed?

A Yes, for the same reasons.

Q And is AT&T proposing to charge the developer for that drop?

A No. In the public communities there's no restrictions on the types of services AT&T can provide, so we are not billing the developer for any of the costs associated

with the public communities.

Q Okay. Thank you. In the two private communities is the network being designed and built to serve 100 percent of the residents?

A Yes. And as I referenced before, we don't know where the take rate is going to be, so we need to build out as if we were placing facilities to each development -- I mean, each living unit.

Q And will the construction of that network also include a drop to each residence that will be constructed?

A Yes.

Q Now as I understand AT&T's position, for purposes of the cost recovery AT&T is assuming only a 20 percent penetration rate for its services in the private communities; is that correct?

A That is correct.

Q Now isn't it true that by building a network to 100 percent of the residents but using a 20 percent take rate, that the cost that AT&T is proposing to recover from the developer is going to be substantially higher than if the network was designed and built to serve fewer customers?

A Well, when you're choosing which network architecture you're going to place and the facilities that are placed, a lot of that incurred cost does not change no matter how many customers you get. For example, the remote serving terminal

that would be placed to serve the private communities, that is an RT site with electronics and it's fed by a backbone fiber from the, from the serving central office. And those costs are incurred no matter what your take rate is within the development. You have to incur those costs upfront, you know, to place the feeder backbone facilities.

Then, as I mentioned earlier, you don't know which of the living units will actually see your take rate, so you can't plan, you know, which legs of cable that you're going to place now versus later. You have to plan as if you're going to serve each one of those living units because you don't know which ones will actually take your service. And the reason why we placed those up-front is we don't want to have to go back and dig up driveways, dig up customer landscaping and things like that to have to place those facilities after the fact.

Q But, Mr. Bishop, if you believe that, as Mr. Meza says, you're ultimately only going to serve 20 percent of the communities and perhaps substantially fewer, aren't there some equipment that you could install less of it and still achieve the ability to potentially serve the customers that might request service from you?

A The equipment that you'd be referencing would be the electronic plugs-in. You would not have to place the, all the plug-ins required for a 100 percent build-out in the remote terminals and the optical network units. However, as I

mentioned before, we're not charging for the cost of the plug-ins, so that is factored out of the equation.

Q Let me ask you this, Mr. Bishop: How many remote terminals will there be in Riverwood?

A Due to the size of Riverwood, we estimate two remote terminals will be placed.

Q And that's based upon the assumption that you're going to potentially serve 100 percent of the residents of that neighborhood; correct?

A It is not our understanding that we will be serving 100 percent. It is our understanding that our take rate would be 20 percent. However, as I mentioned earlier, the backbone facilities, which would be the feeder fiber and the remote terminal, would need to be placed in size up-front, and that would be based on whatever the size of the development would be.

Q Well, correct me if I'm wrong. I believe Riverwood is supposed to be approximately a thousand residences; is that correct?

A That's my understanding. Yes.

Q Okay. If there were only going to be 500 residences in that community, would you put two remote terminals in there?

A Well, the two remote terminals are placed because Riverwood is such a large community that the remote terminals would be located on different sides of the property.

Q Okay. But if Riverwood was only going to have 500 residences, would you still put in two remote terminals?

A It depends on where they would be geographically located within, within each other.

Q And how about -- do you know how many optical network units are planned for Riverwood?

A I would have to refer to my, or to one of the exhibits. I believe it's 73 for both of the communities, but I do not recall how many are for one versus the other.

Q Okay. And, I'm sorry, is that 73 in total for both communities?

A As I said, I would need to confirm that with one of the exhibits.

Q Is that handy or -- I mean, can you check quickly to see?

A Sure. And, I'm sorry, you asked me about Riverwood?

Q Yes.

CHAIRMAN EDGAR: Mr. Bishop, which exhibit are you looking at so we can follow along?

THE WITNESS: I am looking at Exhibit LB-12.

CHAIRMAN EDGAR: Thank you.

THE WITNESS: I wanted to make sure this was the right exhibit.

CHAIRMAN EDGAR: All right.

THE WITNESS: Yeah. It looks like for the initial

phases of Riverwood, and that's what's referenced in this exhibit, it looks like there would be 19 ONUs for the initial phases.

BY MR. SELF:

Q And approximately how many residences are planned for the initial phase that this covers?

A The initial phase, I believe, is 268. I'm sorry. It's 228.

Q Okay. And those 19 ONUs for that first phase are, are based upon the 228 residences; correct?

A Yes. And where they are geographically located within each other.

Q Okay. Now I understand that the 20 percent take rate that AT&T is assuming for its analysis is based upon AT&T's experience with Avalon Phase I; is that correct?

A That is my understanding.

Q Can you tell me how the Avalon Phase I community is similar to Riverwood or Coastal Oaks?

A Very similar. The architecture that was chosen is fiber-to-the-curb for Avalon as well, and it is our understanding that the service arrangements between the developer and the competing service provider are very similar, and the fact that there is an easement restriction that prohibits us from providing anything other than voice. So the circumstances are very similar to what we're seeing here with

Nocatee.

CHAIRMAN EDGAR: Can I jump in, I apologize, myself for just a moment? We're having a little bit of difficulty hearing. Could you maybe turn his mike up for us? Thank you very much. We'll see if that works. Thank you.

Mr. Self.

MR. SELF: Thank you, Madam Chairman.

BY MR. SELF:

Q That really wasn't my question, Mr. Bishop. My question is with regards to the developments themselves, how are they similar?

A Could you please define what -- maybe rephrase your question a little differently?

Q Well, for example, are they single-family residences in both? Do you know what the price points are for the individual houses? Is Avalon $300,000 houses and Riverwood $300,000 houses or, or are the house prices different, are the sizes of the houses similar or different? The characteristics of the development itself, not the service that you're going to provide, but actually is, is the potential -- are the two developments similar in the way that they're being constructed, the residents that they're potentially trying to attract? Those sorts of characteristics.

A Well, both of the properties are single-family developments. As far as the cost per house and things like

that, I do not know.

Q Do you know whether the average square foot sizes of the houses are similar?

A I'm sorry. I do not know.

Q Can you tell me how the Avalon Phase II community is similar to the Avalon Phase I community?

A Well, the construction is supposed to be very similar at least from a network deployment standpoint. We will be serving fiber-to-the-curb architecture. We will extend those facilities from the remote terminal site that was placed to serve Phase I, and that is my knowledge of Avalon Phase II as far as the network architecture.

Q Okay. So you don't actually know about the houses themselves and the target markets for those houses, that, that sort of information; correct?

A No, I do not.

Q All right. Let me change gears for a moment and I want to talk to you a little bit about Comcast's digital voice service. Is it AT&T's position that the Comcast network in the private communities will duplicate the network that AT&T has proposed to build in the private communities?

A It is our understanding that the network will be a wireline network. We'll be able to provide the same types of services that our network could provide, which includes voice, video and data.

Q And so therefore you've -- it's AT&T's position that the AT&T network would duplicate the Comcast network; correct?

A That is correct. It would -- it could duplicate the types of services that are provided over that network.

Q Okay. Does -- do you know whether Comcast digital voice service requires a broadband connection?

A I do not know.

Q Do you know whether Comcast digital voice service requires a cable modem?

A I do not know.

Q Do you know whether Comcast digital voice service requires a router?

A I do not know.

Q Do you know whether Comcast digital voice service requires an embedded multimedia terminal adapter?

A I do not know.

Q Do you know whether Comcast would charge extra for each piece of that, of the equipment I've just identified to you?

A I am not aware of Comcast's billing practices on, on their architecture.

I will say that the facilities that we would be placing within the private subdivisions would run parallel to the facilities that they would be placing. And when we talk about a duplicate network, that's what we're referring to is

you're going to have two networks providing, that could potentially provide similar services running parallel to each other in the private subdivisions.

Q Okay. Does AT&T's voice telephone service require a broadband connection, a modem, a router or an embedded multimedia terminal adapter?

A I'm sorry. Will you repeat the question?

Q Sure. Does AT&T's voice telephone service require a broadband connection, a modem, a router or an embedded multimedia terminal adapter?

A To my understanding, no, it does not.

Q Okay. Isn't it true that most all telephone CPE is compatible with AT&T's voice telephone network?

A I would say yes.

Q Are you aware as to whether or not all telephone CPE is compatible with Comcast digital voice service?

A I am not aware.

MR. SELF: Okay. That's all I have, Madam Chairman. Thank you.

CHAIRMAN EDGAR: Thank you.

Commissioners, are there any questions? Questions down here? No? Commissioner Argenziano.

COMMISSIONER ARGENZIANO: Thank you. Just asking, in your beginning presentation you had mentioned --

CHAIRMAN EDGAR: Commissioner, I'm sorry. We're

having a hard time hearing you. Could you make sure your mike is on?

COMMISSIONER ARGENZIANO: It says it's active.

CHAIRMAN EDGAR: It's green. Okay. We'll have that checked as well. Thank you.

COMMISSIONER ARGENZIANO: Okay. In your, in your beginning presentation you mentioned the exclusive contract with data and video with Comcast, with the developer, and then you had mentioned that there were marketing, including three services, obviously meaning a voice service also. So there is, there is a marketing by the developer for that or by Comcast for the voice service also?

THE WITNESS: It is our understanding that there is a marketing agreement for all three services between Nocatee and Comcast. In fact, it is our understanding that Nocatee would actually receive financial incentive for every voice service sold based upon that marketing agreement.

COMMISSIONER ARGENZIANO: Okay. Thank you.

CHAIRMAN EDGAR: Thank you.

Commissioner Carter.

COMMISSIONER CARTER: Thank you, Madam Chair.

I guess we do have a volume concern today, so maybe I'll yell.

THE WITNESS: I'm glad I'm not the only one.

COMMISSIONER CARTER: The -- is part of the concern

about that 20 percent is that you don't know exactly what configuration it will be in the context of the development?

THE WITNESS: I'm sorry. Will you repeat that question?

COMMISSIONER CARTER: Is part of the concern about the 20 -- remember you said there would be an estimated 20 percent take rate? I say is part of the concern that that 20 percent would be hard to identify within the confines of the development which would require you to wire the entire development? Is that what I understood you to say?

THE WITNESS: That is correct. Particularly with fiber-to-the-curb architecture, it involves placing a fiber cable from the remote terminal site to an optical network unit, say, within that, that road. So say you have a road that's got about ten homes on it. There would be an optical network unit placed extending from that fiber facility to serve all of those homes. The problem is you have to still place that fiber and optical network unit even if you only get one customer out of those ten that order your service. So the bulk of your expenditures are still incurred.

On the opposite side of that is the buried service wire that would go to each of the units from that optical network unit. Since we don't know up-front where those services are going to be ordered, you have to place those up-front. Otherwise, if you wait until the customer orders the

service, you could be digging up their driveways, their landscaping, their flower beds and anything they may have planted, and we, of course, do not want to have to do that.

COMMISSIONER CARTER: If I may. And in the context of this fiber network that you're building, this is pretty much the standard that you're using in this entire geographical area; is that correct?

THE WITNESS: That is correct. That's the architecture we're going to use to serve all the communities in Nocatee. And, in fact, there are a couple of public communities, particularly Austin Park, where we have already started placing the fiber-to-the-curb facilities. And, in fact, to my knowledge the remote terminals and the ONUs and feeder fiber are already placed in the public communities.

COMMISSIONER CARTER: I think I'll resist the effort to ask another one.

CHAIRMAN EDGAR: Okay. Commissioners, any additional -- Commissioner Skop.

COMMISSIONER SKOP: Thank you, Madam Chair.

A quick question. Mr. Self's line of questioning concerned the architecture build-out and the choice between fiber optic and traditional copper, if you will.

With respect to that, is it correct, my understanding that the fiber-to-curb option that AT&T wants to place as the ability to serve in the private subdivisions, would that be

capable of providing broadband as opposed to DSL on the fiber? I think that would be correct, but I just want to make sure I have the correct understanding.

THE WITNESS: The fiber-to-the-curb architecture can support video -- data and ultimately video. What makes that capable, the architecture capable is the plug-ins that are placed in the remote terminals in the serving optical network units. Those plug-ins would not be placed in the private communities because of the restriction. So although the architecture at a high level, yes, can support all three services, it's really the plug-ins that drive what you can sell to each of the customers.

COMMISSIONER SKOP: Okay. But with respect to the architecture itself, in the fiber context that would be providing broadband service, correct, if those plug-ins were in fact available and weren't prohibited by the agreement?

THE WITNESS: Yeah. We are, for example, in the public communities where there's no restrictions we are placing those plug-ins to be able to provide data. We would not place those in the private communities.

COMMISSIONER SKOP: What I was getting at is I want to be more specific on the data because basically I believe that there's a difference, as I understand it, or correct me if I'm wrong, between broadband and DSL in terms of the data options and technologies that are used for both; is that

correct?

THE WITNESS: We use broadband and DSL interchangeably.

COMMISSIONER SKOP: Okay. So it doesn't matter whether you have DSL on the fiber optic and you can have DSL on the copper wire; is that correct?

THE WITNESS: You can. And on the copper, on the copper loop it depends on how far it is from the serving electronics or central office. So if it is in an area, yes, you can get the same bandwidth speeds as you can with fiber-to-the curb.

COMMISSIONER SKOP: Okay. And I understand the technological limitation on the distance on the DSL, but I just wanted to make sure that DSL could be offered either via fiber or via copper. Is that correct as you just stated?

THE WITNESS: Well, yeah, if we were to place a copper solution to serve the development, we would have to place a remote terminal cabinet and would have copper distribution from that cabinet instead of fiber distribution. We could provision that cabinet to provide data in the private communities.

COMMISSIONER SKOP: Okay. And with respect to the copper implementation architecture, DSL would run solely through them through the same copper wires; correct? They wouldn't require any additional infrastructure through the

wiring that existed in place to provide the voice service.

THE WITNESS: Through the wiring, no. We would need to place another electronic structure at the remote terminal site to be able to provide data over the copper.

COMMISSIONER SKOP: Okay. So but basically on the copper, you have the copper wires, you have voice and the DSL service which is effectively, as you mentioned, I think, broadband going through the same physical wire; correct?

THE WITNESS: That is correct.

COMMISSIONER SKOP: Okay. And then just one further question. With respect to the definition of basic local telecommunications services that's defined in Section, Florida Statutes, 364.02, it speaks to dual tone multifrequency dialing as one of the services that has to be provided. Does DSL fall within that definition of dual tone multifrequency dialing?

THE WITNESS: I do not believe DSL is the same as multidialing, but I am not an expert on that.

COMMISSIONER SKOP: Okay. Thank you.

CHAIRMAN EDGAR: Mr. Meza, redirect?

MR. MEZA: I have no questions.

CHAIRMAN EDGAR: Okay. Then let's go ahead and take up the exhibits now.

MR. MEZA: Yes, ma'am. At this time I'd like to move Mr. Bishop's exhibits attached to his direct testimony. They are identified as Exhibits 15 through 28.

CHAIRMAN EDGAR: Okay. I'm showing as well Exhibits 15 through 28. Is there any objection?

MR. SELF: No objection.

CHAIRMAN EDGAR: No objection. Okay. Then at this time we will enter Exhibits 15 through 28 into the record.

(Exhibits 15 through 28 admitted into the record.)

MR. MEZA: Yes, ma'am. Thank you, Madam Chairman. At this time AT&T Florida would like to call Beth Shiroishi to the stand.

CHAIRMAN EDGAR: Okay. Mr. Bishop, you are excused. Thank you very much.

THE WITNESS: Thank you.

ELIZABETH SHIROISHI

was called as a witness on behalf of AT&T Florida and, having been duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. MEZA:

Q Ms. Shiroishi, can you please provide your full name and address for the record.

A My name is Beth Shiroishi, and my address is 675 West Peachtree Street, Atlanta, Georgia.

Q By whom are you employed and in what capacity?

A I'm employed by AT&T as Senior Director - Regulatory Planning and Policy.

Q Did you cause to be filed 22 pages of direct

testimony and two exhibits in this proceeding?

A Yes.

Q Do you have any changes to either your testimony or your exhibits?

A No.

MR. MEZA: Madam Chair, at this time I'd ask that Ms. Shiroishi's direct testimony be entered into the record as if read.

CHAIRMAN EDGAR: The prefiled direct testimony will be entered into the record as though read.

MR. MEZA: Thank you, Madam Chair.

AT&T FLORIDA

DIRECT TESTIMONY OF BETH SHIROISHI

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 060822-TP

JUNE 8, 2007

Q. **PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND POSITION WITH AT&T.**

A. My name is Elizabeth R. A. Shiroishi. I am employed by AT&T Southeast as Senior Director - Regulatory Policy & Planning. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375.

Q. **WHAT ARE YOUR CURRENT RESPONSIBILITIES?**

A. In my current role, I have responsibility for Network and Services Transformation, which includes issues dealing with Carrier-of-Last-Resort ("COLR") and regulatory policy issues related to the transformation of AT&T Southeast's network to an IP network providing an advanced suite of services.

Q. **HAVE YOU PREVIOUSLY TESTIFIED BEFORE REGULATORY AGENCIES?**

A. Yes, I have previously testified before the Florida Public Service Commission ("Commission") and the North Carolina Utilities Commission. Additionally, I have proffered testimony before the Georgia Public Service Commission and South Carolina Public Service Commission.

Q. **HAVE YOU PREPARED ANY EXHIBITS CONTAINING INFORMATION THAT WILL BE REFERRED TO IN YOUR TESTIMONY?**

A. Yes. Attached to my direct testimony are the following exhibits: ERAS -1 and ERAS-2.

Q. **WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

A. In my direct testimony, I will address on behalf of BellSouth Telecommunications, Inc. d/b/a AT&T Florida ("AT&T Florida") (1) whether AT&T Florida has established good cause to be relieved of its COLR obligations for two private subdivisions in the Nocatee development in Duval and St. John's Counties, Florida ("Nocatee", collectively or "Riverwood" or "Coastal Oaks", respectively); and (2) various policy arguments supporting AT&T Florida's request to be relieved of its COLR obligation for Nocatee.

Q. **PLEASE PROVIDE A BRIEF SUMMARY OF YOUR TESTIMONY.**

A. The overriding policy question in this case is whether developers can manipulate Florida's COLR statute to force traditional phone companies to make uneconomic

investment where consumers have access to voice services from other providers while also stifling consumer choice for the suite of communications and entertainment services that residents expect. AT&T Florida supports the idea that consumers should be free to choose any company they want for video, data, and voice service. To this end, AT&T Florida wants to serve all customers in its service territory by offering the broadest, most comprehensive and value-added set of products and services. In fact, AT&T Florida has invested, and will continue to invest, hundreds of millions of dollars in Florida to be able to offer consumers meaningful video, data, and voice competition. And that is exactly why we take such issue with the current situation at Nocatee. We want to use our investment dollars wisely to bring Florida residents all of our advanced services instead of using those dollars to bring a single, unnecessarily duplicative service.

AT&T submits that this is a case of first impression for AT&T Florida's service territory and that the Commission should take whatever action is within its power to discourage this type of developer conduct. Although the Commission does not have regulatory authority over developers, or over broadband data and video services, the Commission is in a position to influence the outcome of this situation. By granting COLR relief under this particular set of facts, the Commission sends a message to developers that using the COLR obligation to force redundant, uneconomic investments is not in the best interest of the public.

Further, by requiring AT&T Florida to invest substantial amounts of money in a duplicative network limited to providing voice service, the Commission will effectively shift those investment dollars away from other consumers in the state who would stand to receive the full suite of advanced services from AT&T Florida.

Issue 1: Under Section 364.025(6)(d), Florida Statutes, has AT&T Florida shown good cause to be relieved of its Carrier-of-Last-Resort obligation to provide service at the Coastal Oaks and Riverwood subdivisions in the Nocatee development located in Duval and St. Johns Counties?

Q. **WHY DOES AT&T FLORIDA BELIEVE IT HAS ESTABLISHED GOOD CAUSE TO BE RELIEVED OF ITS COLR OBLIGATION FOR NOCATEE?**

A. Generally speaking and consistent with the statements of former Commissioner Deason and Commissioner McMurrian quoted later, AT&T Florida believes that it should be relieved of its COLR obligation for two primary reasons: (1) the residents of Nocatee can obtain voice service from other alternative providers, including but not limited to Comcast; and (2) because the developer has restricted residents' choice by granting Comcast the exclusive right to provide service or market its services in the development, serving Nocatee with voice service only results in an uneconomic investment for AT&T Florida and effectively denies advanced services to even more Florida consumers.

Q. **WHAT IS YOUR UNDERSTANDING OF COLR?**

A. Under § 364.025, F.S., a local exchange company ("LEC") is required to furnish basic local exchange telecommunications service within a reasonable time period to any person requesting such service within the company's service territory. This obligation has historically been referred to as the LEC's "COLR" obligation. COLR is specifically tied to Universal Service, which the Florida Legislature has defined as an "evolving level of access to telecommunications services, taking into account advances in technologies, services, and market demand for essential services, that the commission determines should be provided at just, reasonable, and affordable rates to customers, including those in rural, economically disadvantaged, and high-cost areas." *See* § 364.025, F.S. The basic concept of COLR and Universal Service is that all residents in a company's service territory, including those in rural areas, will be able to receive voice service in a reasonable period of time and at reasonable rates.

Q. **HAS THE LEGISLATURE RECENTLY MODIFIED THIS COLR OBLIGATION?**

A. Yes. In recognition of the advance of competition from traditional communications providers and non-traditional, unregulated alternative providers (*e.g.* wireless, cable companies, VoIP providers), the Florida Legislature created several exceptions to a LEC's COLR obligation in the 2006 legislative session. The revised COLR statute now provides two avenues for a LEC to obtain relief from its historic COLR obligation. The first avenue provides for automatic relief

in four specific scenarios generally applicable when property owners or developers have entered into some type of arrangement with a communications services provider, as defined in § 364.025(6)(a)(3), F.S., other than the LEC. *See* 364.025(6)(b), F.S. The second avenue applies only when none of those four specific automatic relief scenarios are present. In that situation, the LEC may petition the Commission for COLR relief, which shall be granted upon "good cause" shown:

> A local exchange telecommunications company that is not automatically relieved of its carrier-of-last-resort obligation pursuant to subparagraphs (b)1-4 may seek a waiver of its carrier of last resort obligation from the commission for good cause shown based on the facts and circumstances of provision of service to the multitenant business or residential property. Upon petition for such relief, notice shall be given by the company at the same time to the relevant building owner or developer. The commission shall have 90 days to act on the petition.

§ 364.025(6)(d). It is this second avenue that serves as the basis for AT&T Florida's Petition. The recent modifications maintain the original intent of the statute that COLR is about ensuring that consumers have access to a basic voice service.

Q. **WILL VOICE SERVICE BE AVAILABLE TO RESIDENTS IN THE COASTAL OAKS AND RIVERWOOD SUBDIVISIONS IN THE NOCATEE DEVELOPMENT?**

A. Yes. Every resident of Nocatee will have the option of voice service even if AT&T Florida is relieved of its COLR obligation in this development. Specifically, it is undisputed that Comcast will be providing its VoIP voice

service to Nocatee residents. In describing its "Digital Voice" service, Comcast states the following: "With Comcast Digital Voice, you sacrifice nothing and gain everything. You get the same quality, clarity, and features as traditional phone service, plus advanced features – such as online access to Voice Mail – all on our private broadband network." *See* Comcast Website Page, attached hereto as Exhibit ERAS-1. Thus, at least according to Comcast, its Digital Voice service provides the same features that the consumer would receive from AT&T Florida's voice service.

Further, in addition to Comcast, the residents of Nocatee will have access to other VoIP providers and wireless cellular service to meet their voice service needs. The Commission has already determined in Docket No. 060763-TL that Comcast's Digital Voice product and wireless service present alternative voice service for residents in a development: ". . . [W]e find that voice service from other providers using Voice over Internet Protocol technology and wireless cellular technology will be available on an individual customer basis at retail prices to the residents living within the Treviso Bay development at the time of each resident's occupancy." *See* Order No. PSC-07-0331-FOF-TL at 5.

Accordingly, no resident of Nocatee will be without voice service if AT&T Florida's Petition is granted. They will be able to obtain voice service from Comcast and they will also be able to obtain voice service from another VoIP provider or from a wireless carrier.

As former Commission Deason stated: "I believe that requiring uneconomic investment under the guise of carrier of last resort obligations is wasteful and is not productive and not in the public interest. And if there are viable alternatives to customers, then they have service, and that is the primary requirement of COLR obligations it seems to me." *See* Docket No. 060554-TL, Dec. 19, 2006 Agenda Conference Transcript at 25-26. As I will explain later in my testimony, that is exactly the situation here – the developer in Nocatee is using COLR to force AT&T Florida to install duplicative facilities and to make an unwise economic investment, even though the residents of Nocatee will have viable voice service alternatives.

Q. **HAS THE COMMISSION GENERALLY SET FORTH WHAT CONSTITUTES GOOD CAUSE UNDER SECTION 364.025, FLORIDA STATUTES?**

A. No. The Commission has adopted procedural rules to implement the 2006 revisions to § 364.025 (Docket No. 060554-TL); however, in that rulemaking proceeding, the Commission chose to not define good cause or to identify specific factors that constitute good cause. Instead, the Commission chose to determine good cause on a case-by-case basis through the resolution of COLR relief petitions. *See* Docket No. 060554-TL, Dec. 19, 2006 Agenda Conference Transcript at 25-26.[1]

[1] AT&T Florida recognizes that the Commission previously denied Embarq's COLR Petition in Docket No. 060763-TL and that the Commission preliminary denied AT&T Florida's Petition in this proceeding. However, in denying these requests, the Commission did not articulate what specific facts would establish

However, certain Commissioners have provided guidance as to what they believe would constitute good cause. In addition to the quote above by former Commissioner Deason, Commissioner McMurrian at the March 13, 2007 agenda conference stated the following in this proceeding:

> And I guess the reason I struggle with it is because it seems like the circumstances we have here to me justifies good cause. And maybe it's just one of those things I have to disagree, but in this case you have a developer who has entered into an exclusive service arrangement for data and video, and I realize that that is not what the statute is about, it's about voice. But as I said earlier, I think it contributes to the recoupment of investment to provide voice issue.
>
> You have a service provider who's willing and able to also provide a voice replacement service, you have other voice replacement alternatives out there, such as wireless, like we have talked about; and at least you have some demonstration on behalf of the carrier to say that it is uneconomic.
>
> * * *
>
> And I'm trying to get my arms around what is the likelihood of AT&T Florida being chosen by a customer that comes in if they already have the video and broadband. And we have said how important - - repeatedly in our comp reports we have said how important that triple play is. People like to get one bill.

See Docket No. 060882-TP, March 13, 2007 Agenda Conference Transcript at 25, 43.

Q. **WHAT IS AT&T FLORIDA'S RECENT EXPERIENCE WITH DEVELOPERS REGARDING COLR?**

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good cause; rather, the Commission determined that the facts presented at that time were insufficient to establish good cause.

A. In today's highly-competitive communications environment, developers in planned community greenfield areas frequently select the communications providers that will provide data, voice, and video to residents of the development, well in advance of the first resident moving in. For instance, developers enter into agreements with alternative providers that restrict the ability of the traditional local phone company (or other companies) to provision service or bundles of services to customers, due to exclusive arrangements with the alternative provider.

The decision by developers to pre-select the exclusive provider of services seems to be driven, at least in part, by which provider makes the most lucrative financial offer to the developer. Thus, in return for this financial consideration, the developer enters into an agreement with selected providers that restricts the ability of other providers to offer services or makes it economically disadvantageous for other companies to compete for residents.

Additionally, in an attempt to avoid automatic COLR relief for the LEC as set forth in the new law, upon information and belief, the more savvy developers limit their exclusive agreements with alternative providers to data and video services, thereby prohibiting the LEC from providing anything other than traditional voice services to residents. And, even in that scenario, the alternative provider generally also has the capability or will be providing voice service to residents. Accordingly, even though the developer might have

restricted consumer choice for his/her own economic interest by entering into contractual arrangements with alternative providers that restrict the LECs ability to meaningfully compete, developers still request, pursuant to COLR, that the LEC install duplicative facilities to provide voice service only.

Simply put, even after making an economic decision that benefits them and despite the fact that consumers have voice service available from other providers, developers are attempting to hijack COLR to force AT&T Florida to make unwise economic investments. The Commission should not tolerate such economic gamesmanship.

Q. **WHAT EFFECT DOES THIS COMMISSION'S DECISION HAVE ON CONSUMERS WHO DO NOT LIVE IN THE NOCATEE DEVELOPMENT?**

A. As discussed earlier, forcing AT&T Florida to invest $1.8M at Nocatee to provide only voice service in an area which will already have voice alternatives will provide little benefit to the residents of Nocatee, but at a great expense to the remaining residents of Florida. That $1.8M could instead be spent bringing advanced voice, data and video products to residents who will be able to choose to avail themselves of the services in the competitive market.

Q. **WHAT ARE THE FACTS SUPPORTING AT&T FLORIDA'S PETITION FOR COLR RELIEF?**

A. To fully understand AT&T Florida's position, a discussion of the facts surrounding Nocatee is necessary.

- The two private subdivisions in Nocatee that are the subject of AT&T Florida's Petition consist of 1,919 single family homes (891 at Coastal Oaks and 1,028 at Riverwood).
- The developer of Nocatee has entered into an exclusive service arrangement with Comcast – a non-Commission regulated competitor of AT&T Florida – for data and video service. This arrangement permits Comcast to be the only provider of landline data or video service in these priviate subdivisions. In return for this exclusive right, Comcast has likely provided the developer with economic consideration.
- The developer has also entered into an exclusive marketing agreement with Comcast for its voice in Riverwood and Coastal Oaks. Again, in return for this exclusive marketing right, Comcast has likely provided the developer with economic consideration.
- Through a proposed voice-only easement, the developer is contractually prohibiting AT&T Florida from providing anything other than voice services to the residents Riverwood and Coastal Oaks in perpetuity.
- As a result of this voice-only easement, AT&T Florida will not be able to offer the residents of Riverwood and Coastal Oaks AT&T Florida's full

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panoply of services that exist today and that will exist in the future, including data and video services. Conversely, Comcast will be able to offer its "triple-play" of voice, data, and video to every-single resident of Nocatee.

- As stated in Mr. Bishop's Direct Testimony, AT&T Florida estimates that it will cost approximately $1.8M to deploy facilities to provide voice service to the residents of all of the phases of Riverwood and Coastal Oaks.
- Based on AT&T Florida's recent experience in another single-family development where AT&T Florida can only provide voice service, AT&T Florida believes that its "take rate" for its voice only services in Riverwood and Coastal Oaks will be 20% or less.
- As further stated by Mr. Bishop, AT&T Florida has requested that Nocatee pay construction charges, less AT&T Florida's five times annual anticipated revenue pursuant to Rule 25-4.067, F.A.C. and AT&T Florida's Tariff, § A5 for the first phases of Riverwood and Coastal Oaks. As explained by Mr. Bishop, the estimated build-out costs for the first phase of both subdivisions is $611,601. Five times annual anticipated revenue for both subdivisions amounts to $167,666.[2] The remaining $443,935 is the responsibility of the customer (in this case the developer)

[2] As stated by Mr. Bishop, the project's five year annual exchange revenue was based upon consideration of the following factors: (1) Average Revenue per Unit ("ARPU") of $[redacted], which is based upon actual historical revenue as of September 2006 associated with residential lines in Florida, including custom calling and long distance service revenue; (2) a 20% take rate, that rationale for which Mrs. Shiroishi explains in detail; and (3) occupancy forecast based on when homes are expected to be occupied based upon developer-provided construction schedules. Regarding ARPU, AT&T Florida included the monthly recurring revenues associated with local voice service, any monthly revenue associated Area Plus, the subscriber line charge, and long distance service revenue.

requesting service. As stated by Mr. Bishop, to date, the developer has refused to pay any amounts to AT&T Florida.

Q. **WHY DO YOU BELIEVE THAT THESE FACTS SUPPORT AT&T FLORIDA'S UNECONOMIC ARGUMENT?**

A. Fundamentally, these facts establish that forcing AT&T Florida to spend almost $2M to deploy duplicative facilities is unwarranted and results in an unwise economic investment. Specifically, most likely for its own financial gain, the developer has restricted choice for the residents of Nocatee by giving Comcast the exclusive right to sell its data and video service in Riverwood and Coastal Oaks and by also entering into an exclusive marketing arrangement with Comcast for voice service within these subdivisions. This means that Comcast and only Comcast will be allowed to provide data and video service to residents and to market its voice services within the subject property. Consequently, Comcast can use its full arsenal of promotions and discounted bundles to obtain customers while AT&T Florida is limited to only providing voice service. This puts AT&T Florida at an extreme economic disadvantage if it is forced to invest in facilities at these properties because there would be little or no take rate for AT&T Florida's voice services and voice service is the only service that AT&T Florida is allowed to provide.

Indeed, as stated in the Commission's 2006 Competition Report "the more services a residential customer subscribes to from a single provider, the less likely it is that the consumer will switch providers. *See* 2006 Competition Report at 16. Accordingly, when a data or video agreement is present with an alternative provider, and that provider is also providing voice service, that provider is likely to secure customer for its "triple play" product, including voice. As recognized by the Commission, this desire for bundles by consumers severely restricts AT&T Florida's ability to secure customers for voice service alone both in the first instance and at a later date.

Evidence of this disadvantage is apparent by looking at the head-to-head competition between Comcast and AT&T Florida in areas of Florida where developers have not restricted choice. For example, Comcast is currently offering a "triple play" promotion in the Jacksonville area, which includes voice, data, and video for $99 a month. AT&T Florida has its own "triple play" promotion that provides Florida consumers with the option of receiving voice, data, and satellite television or voice, data, and wireless service for $99 a month. Due to the above-described developer-imposed restrictions, however, AT&T Florida will not be able to offer this or any other bundled promotion to the Nocatee residents. This inability to effectively compete will severely limit AT&T Florida's ability to obtain voice-only customers.

Q. **DOES AT&T FLORIDA HAVE ANY EXPERIENCE WITH OTHER DEVELOPMENTS TO SUPPORT ITS CONTENTION THAT IT WILL EXPERIENCE A LOW TAKE RATE FOR VOICE SERVICES IN NOCATEE?**

A. Yes, while AT&T Florida's interaction with developers in this regard is relatively recent, AT&T Florida has experience with another single-family development in Florida that contains a voice-only easement – Avalon Phase I ("Avalon"). Upon completion, Avalon will contain approximately 320 residential units and is located in Hernando County, Florida. Similar to Nocatee, the developer of Avalon entered into contracts with alternative providers for the provision of voice, data, and video service and restricted AT&T Florida to only being able to provide voice service in the development through a voice-only easement.

Because of these restrictions, only 15.5% of the built and occupied homes in Avalon have ordered AT&T Florida's voice service (as of April 2007). A similar take-rate can be expected in Nocatee because (1) both developments consist of single-family homes; (2) both developments, through easements, are limiting AT&T Florida to providing voice service only; (3) both developments have entered into contractual arrangements with alternative providers for the provision of voice, data, and video service.

Q. **IS AT&T FLORIDA WILLING TO INCUR SOME OF THE EXPENSES ASSOCIATED WITH DEPLOYING FACILITIES TO PROVIDE VOICE SERVICE TO NOCATEE?**

A. Yes. Pursuant to the Commission's Line Extension Rule, Rule 25-4.067(1), F.A.C. and AT&T Florida's Tariff, Section A5, AT&T Florida has offered to incur $167,666 in costs to serve the initial phases of Riverwood and Coastal Oaks being built.

Q. **CAN YOU PLEASE EXPLAIN THE LINE EXTENSION RULE?**

A. The Commission's Line Extension Rule requires AT&T Florida to "make reasonable extensions to its lines and service and shall include in its tariffs . . . a statement of its standard extension policy setting forth the terms and conditions" by which AT&T Florida will extend facilities to serve applicants for service. Rule 25-4.067(1), F.A.C. It also requires that any policy "have uniform application" and that it "provide that the proportion of construction expense to be borne by the utility shall not be less than five times the annual exchange revenue of the applicants." *Id.*

If the cost equals or exceeds the estimated cost of the proposed extension, AT&T Florida must construct the extension of facility without charge to the applicants. If, however, the estimated costs exceed the amount "which the utility is required to bear" – five times annual exchange revenue – "the excess cost may be distributed equally among all subscribers initially served by the extension." *Id.*

AT&T Florida's Tariff provides that special construction applies when "the cost to construct line extension facilities for an individual subscriber . . . exceeds the estimated five year exchange revenue." *See* GSST at A5.2.1(B)(1).

Here, as stated by Mr. Bishop, AT&T Florida conducted the five times revenue analysis and determined that Nocatee should be responsible for $443,935 of AT&T Florida's costs to deploy facilities to serve residents in the initial phases of Riverwood and Coastal Oaks with voice service. Notwithstanding the restrictions imposed by the developer, AT&T Florida has agreed to be responsible for the remainder of the costs or $167,666.

Q. **WHAT WAS NOCATEE'S RESPONSE AND WHY IS THIS IMPORTANT TO THE GOOD CAUSE ANALYSIS?**

A. Despite repeated negotiations, the developer of Nocatee has refused to contribute any amount to AT&T Florida's costs to deploy unnecessary and duplicative facilities pursuant to the developer's request. Consequently, even though the developer (1) has entered into an exclusive arrangement with Comcast, and (2) is demanding that AT&T Florida make unwise economic business investments pursuant to COLR, the developer is refusing to take ***any*** financial responsibility associated with its business decisions.

Q. **ARE THERE ANY OTHER REASONS WHY AT&T FLORIDA HAS ESTABLISHED GOOD CAUSE?**

A. Yes. As stated above, exclusive service agreements for data and video prohibit AT&T Florida from providing data and video service but not voice service. Thus, upon receiving a request for data, video, or other prohibited service, AT&T Florida is in the difficult position of having to explain to potential customers that, while it can provide voice service, AT&T Florida cannot provide any other service or bundle (and their associated consumer-friendly pricing), that consumers expect in today's environment. This results in a negative perception of AT&T Florida, even though AT&T Florida desires to provide all of its services to these residents. AT&T Florida should not be put in a position of experiencing any harm to its reputation or brand because of the business decision of a developer.

Q. BY GRANTING AT&T FLORIDA'S REQUEST FOR COLR RELIEF, IS THE COMMISSION FURTHER LIMITING A NOCATEE RESIDENT'S CHOICE OF VOICE SERVICE PROVIDERS?

A. No, because the issue of having a minimum of one voice provider at Nocatee versus having a minimum of two voice providers is not the problem; it is simply a symptom of the problem. Certainly, the developer will use that argument to try and distract the Commission's attention away from the real problem, which is the developer profiting at the expense of consumer choice while also trying to force AT&T Florida into an uneconomic investment. Even with two choices for voice service, there will undoubtedly be some percentage of Nocatee residents that, if given a choice, would choose a voice provider (or data or video provider for that

matter) other than AT&T Florida or the provider unilaterally chosen by the developer to provide data and video service. Thus, denying AT&T Florida's request for COLR relief will not bring freedom of choice to Nocatee residents, nor will it do anything to solve the real problem. And, ultimately, these residents will be able to obtain competitive offerings from alternative VoIP providers or wireless carriers even if AT&T Florida is relieved of its COLR obligation.

Q. THE DEVELOPER HAS SUGGESTED THAT THE COLR PETITION IS NOTHING MORE THAN A MEANS TO GIVE AT&T FLORIDA'S RETAIL OPERATIONS AN ADVANTAGE IN NEGOTIATING AGREEMENTS WITH DEVELOPERS. PLEASE COMMENT.

A. Nothing could be further from the truth. It is solely the decisions of the developer that led AT&T Florida to file this request for COLR relief. And, I want to be clear on this point – if the Nocatee developers would allow AT&T Florida to compete for video, data, and voice service at the Nocatee properties, then AT&T Florida would withdraw this proceeding and proceed to build per our normal course of business without further complaint.

Q. **IF THE COMMISSION DOES NOT FIND THAT AT&T FLORIDA HAS ESTABLISHED GOOD CAUSE, ARE THERE ADDITIONAL ISSUES FOR THE COMMISSION TO CONSIDER AND DECIDE?**

A. Yes. If the Commission determines that AT&T Florida is not relieved of its COLR obligation, the Commission must then determine whether AT&T Florida is not required to install facilities until the developer pays AT&T Florida charges pursuant to AT&T Florida's Tariff, § A5 (see Exhibit ERAS-2). This analysis and decision is entirely independent of the good cause analysis under Section 364.025, F.S. but equally important because it has wide-ranging ramifications on the historical and ongoing business operations of the industry.

Q. CAN YOU PLEASE EXPLAIN AT&T FLORIDA'S POSITION ON THIS ISSUE?

A. AT&T Florida's cost to construct line extension facilities pursuant to the developer's request exceeds the estimated five year exchange revenue. Consequently, AT&T Florida is entitled to charge the developer per Rule 25-4.067(1), F.A.C. and AT&T Florida's Tariff § A5. And, per AT&T Florida's Tariff, payment of special construction "is due upon presentation of a bill for the specially constructed facilities." § A5.2.2.2(B). If the party requesting special construction fails to pay in advance, then AT&T Florida has no obligation to deploy facilities. The Commission should find that, in this situation, AT&T Florida's Tariff governs and that AT&T Florida has no obligation to proceed with installing facilities irrespective of any COLR obligation, should the developer refuse to pay the requested construction charges. There is no justification for treating developers any differently than every other customer that is required to

pay special construction for faciltities. Such customers should all be treated in a non-discriminatory manner pursuant to AT&T Florida's Tariff.

Q. **DOES THE LINE EXTENSION RULE APPLY TO DEVELOPERS?**

A. Historically, the Line Extension Rule has primarily applied to individual subscribers. However, in this situation, where developers are effectively acting as agents for future, yet-to-be-identified residents of a property, the answer is yes. Indeed, if developers can use COLR to force AT&T Florida to make uneconomic investments by installing duplicative facilities in properties where consumer choice is restricted, developers also must be responsible for the liabilities associated with such use. Stated another way, if a developer can trigger COLR before any residents exist on the property, then the developer, for all practical purposes, is in fact the subscriber for the entire development.

Q. **DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

A. Yes.

BY MR. MEZA:

Q Ms. Shiroishi, can you please provide a brief summary?

A Sure. Thanks.

There are a lot of facts in this case to sift through, but I think it's helpful to frame then in the context of the statute that's the reason why we're here. The Florida Legislature has determined that there are certain situations when it's appropriate for AT&T to be relieved automatically of our carrier-of-last-resort obligation, generally when AT&T Florida is excluded from the ability to offer service and another provider is clearly offering service. The automatic relief is not dependent on whether the Commission has authority over the alternative provider or the circumstances of the service.

While establishing these situations for automatic relief, the Legislature also determined that there were other situations that would merit relief from carrier of last resort for good cause and gave this Commission the job of determining when good cause has been established.

From a policy perspective I think there's a key fact here, and that's that every consumer in the Nocatee development will have access to voice service, and that's what COLR is all about.

It's undisputed that Comcast will be providing its

voice service to all the residents. And additionally VoIP service is available to Florida consumers from other providers, as is service from wireless providers.

A second key fact in this case is that the developer has restricted AT&T Florida to provide voice service only for their financial gain over the life of the long-term contract. After making an economic decision that benefits the developer and despite the fact that consumers have voice choices from other providers, developers are attempting to hijack the COLR requirement to force AT&T to make unwise economic investments.

AT&T supports the idea that consumers should be free to choose any company they want for video, data and voice service, and to that end AT&T wants to serve customers in our territory with all of our services. We want to use our investment dollars wisely to bring Florida residents our advanced services instead of being forced, because of a developer's decision, to use those dollars to deploy a network to provide only a single, unnecessarily duplicative service. Thank you.

CHAIRMAN EDGAR: Thank you.

MR. MEZA: Ms. Shiroishi is available for cross-examination.

CHAIRMAN EDGAR: Thank you.

Mr. Wiggins, are you first up at cross?

MR. WIGGINS: Yes, ma'am. Thank you.

CHAIRMAN EDGAR: Okay. You're recognized.

CROSS EXAMINATION

BY MR. WIGGINS:

Q Good morning, Ms. Shiroishi.

A Good morning.

Q If at any time you don't understand a question I've asked or if I'm not clear, just let me know and I'll do my best to reframe it so that we're communicating effectively. Is that all right?

A Yes. I'm having a little bit of a hard time hearing you. If you could --

Q That's a perfect example. If at any time you have trouble understanding my question or I'm not clear in the framing, just let me know and I'll be happy to reframe it.

A Okay. Thank you.

Q And if I should ask you a question that requires a yes or no answer and you feel like you can't give that yes or no, just let me know and I'll adjust and reframe the question. Does that work for you as well?

A Yes. Thanks.

Q Okay. Thank you. And you can hear me now?

A Yes. Thank you.

Q All right. I'd like to start with the CIAC issue, which, if you remember Mr. Meza's opening, was toward the end. He said if, for example, if the Commission decides not to grant

the waiver, AT&T would nonetheless like to have permission to collect the CIAC. Do you remember that?

A Yes.

Q Okay. In AT&T's Response to Staff's First Set of Interrogatories, Number 16, you indicated in this proceeding AT&T of Florida should be able to assess the developer line extension, excuse me, extension charges whether or not its COLR waiver petition is granted. And that's correct; right?

A Yes.

Q Okay. Is it commonplace for AT&T to assess CIAC charges to developers?

A That process actually is a relatively new one. We've had obviously the tariff in place and have used special construction for many years. The whole circumstance surrounding developers really acting in the shoes of consumers, which is how I like to think about this, is a fairly new development. After the statute was passed and then after this Commission's order or the staff rec, I'm not sure which it was, that referenced that, we started looking at that and decided that that was an appropriate avenue. So that's when the developer angle for line extension charges or what we sometimes refer to as special construction charges came in.

Q So that would be after the Legislature changed 364.025 in 19 -- excuse me, in 2006?

A Correct. And we may have done it previous to that.

I'm not aware of any situation. And, again, the developers typically have not been acting in this capacity prior to that. This is a relatively new market development.

Q Does AT&T propose to assess the CIAC to Nocatee because AT&T will be granted a voice-only easement?

A That certainly is one of the factors. When we look at special construction and whether it's applicable or not, we certainly look at the cost to serve versus the anticipated revenue. And in this case, because of the restricted voice easement, we would have a lower anticipated revenue as well as take rate. So that plays into the decision.

Q Thank you. If AT&T's COLR waiver is granted and the developer still refuses to pay line extension charges, will AT&T require the individual residents of Coastal Oaks and Riverwood to pay CIAC if they request service?

A We have discussed this issue and we haven't come to a full kind of policy perspective on how we do -- a lot of things are at play and one of them obviously being what the Commission determines here. I think our tariff would allow us that option. If we chose to go that route or not, we would have to look at based on the decision that the Commission gives as well as other facts. But certainly any charging that we were to do we would follow the terms of our tariff.

Q When you say we have discussed that, who is the we?

A I'm sorry. Within AT&T from a policy perspective.

Q Which organizational subunits of AT&T have discussed this?

A I have discussed that both with legal and other members of regulatory. I can't recall if there were any other businesspeople present or not. But since we didn't reach a decision other than that we certainly would serve pursuant to our tariff if a customer requested service for this development, then we've not reached a full-blown what I would call policy on that.

Q Thank you. Well, just one second.

MR. WIGGINS: Madam Chair, I'd like to have Mr. Higgins show the witness an exhibit, if that's okay.

CHAIRMAN EDGAR: Yes, sir.

MR. WIGGINS: And I will identify it.

Devlin, do you want to start with Jim here? I'm sorry, Commissioner. You want to give it to Jim? My mistake. Thank you.

BY MR. WIGGINS:

Q You'll be handed a copy of AT&T's Response to Staff Interrogatory, Number 28, and for ease of reference this is also contained in hearing Exhibit 2.

It is indicated that assessing line extension charges --

CHAIRMAN EDGAR: Mr. Wiggins --

MR. WIGGINS: Yes.

CHAIRMAN EDGAR: -- let's wait until we get it all passed out, if you would.

MR. WIGGINS: Yes, ma'am.

CHAIRMAN EDGAR: And let's go ahead and mark. So this will be Exhibit 29.

MR. WIGGINS: No. I believe it's in our --

MS. HELTON: Madam Chairman, I believe you're correct. It should be Exhibit 29.

CHAIRMAN EDGAR: Thank you, Ms. Helton.

Okay. We will mark it as 29. And, Mr. Wiggins, will you give me a short title?

MR. WIGGINS: Yes, ma'am. AT&T Response to Staff's Second Request for Interrogatories, Item Number 28.

CHAIRMAN EDGAR: I'm not sure that qualifies as short, but that's okay. We'll work with it.

MR. WIGGINS: Okay.

CHAIRMAN EDGAR: Okay. Hold on. Let me, let me catch up with you.

MR. WIGGINS: Staff's second number 28.

(Exhibit 29 marked for identification.)

CHAIRMAN EDGAR: Okay. We have Exhibit 29 offered by staff to be labeled AT&T Response to Staff's Second Request for Interrogatories, Number 28. And we're ready when you are.

MR. WIGGINS: Thank you.

BY MR. WIGGINS:

Q It's indicated that assessing line extension charges to Florida consumers is not a common practice. If you know, would you describe for me the kinds of special construction projects for which CIAC would likely apply?

A I think, and I want to be clear, that really there's a broader bucket that I'm calling special construction which would be when there are special circumstances, and those are laid out in our A5 tariff.

The CIAC would be then when you take the five-year revenue out. So I think those are two different things. So in certain circumstances AT&T would assess special construction charges but not take out the net five year. So the cost would actually be higher to a consumer or whomever.

From a -- special construction charges, as it says here, associated with requests for moves or temporary service, those are the ones that we normally see. Anything else where you would take out the net of five years anticipated revenue would be perhaps when someone asks for service that otherwise we wouldn't normally provide as in the case here with Nocatee.

Q Okay. Thank you.

We're eliminating questions is why we're having --

CHAIRMAN EDGAR: That's fine.

MR. WIGGINS: Your responses have been sufficiently responsive that we're able to eliminate some questions, so it'll be a minute.

BY MR. WIGGINS:

Q Would you agree with me that the purpose of assessing the line extension charges is to allow a carrier the opportunity to recover a portion of the initial material investments and associated cost to extend facilities to an unserved area?

A Generally, yes.

Q Okay. And these investments are incurred by the company typically in the first few years?

A The investment? I mean, typically the investment is incurred right up-front and then the revenue would be over the next few years.

Q Okay. Thank you.

The CIAC calculation subtracts from these investments five years' exchange revenues yielding the amount a customer would pay; is that correct?

A Correct.

Q Okay. Isn't the useful life of plant installed such as the cable greater than five years?

A Yes, the life is longer. But, again, in this analysis what we're looking at is, you know, we have obviously a finite capital budget and where are we going to use money? And so you're looking at, you know, not just the life of the asset but the payback on that, the return on that investment.

Q But nonetheless they will -- they're capable of

generating revenue streams for more than five years.

A Yes.

Q Thank you.

A Typically.

Q Okay. I need to distribute to you another exhibit. It's AT&T's Response to Staff Interrogatory 31.

CHAIRMAN EDGAR: Commissioner Carter.

COMMISSIONER CARTER: Just a procedural matter before we take that.

CHAIRMAN EDGAR: Yes, sir.

COMMISSIONER CARTER: Is this -- are we supposed to mark this first document that was given to us?

CHAIRMAN EDGAR: Yes. We have marked it as Exhibit 29.

COMMISSIONER CARTER: That would be the second document that we got. We've got three sheets here.

MS. HELTON: I actually have the same question, Commissioner Carter. That was -- I think Commissioner Carter is referring to the first interrogatory response that staff passed out, which was Interrogatory Number 16 from Staff's First Set of Interrogatories.

Mr. Wiggins, did you mean to mark that for identification or is that part of the stipulated exhibit?

MR. WIGGINS: They are already in the composite exhibit, so they don't need to be admitted. They've already

been stipulated. And I apologize for the --

CHAIRMAN EDGAR: Okay. Ms. Helton, I'll look to you, because I have done it both ways. And sometimes we mark separately for clarity with the record rather than having to sift through both at the bench and as we proceed through the next steps and sometimes, quite frankly, we don't. So, Ms. Helton, do you have a suggestion as to the best way and the clearest way to deal with all of the paper?

MS. HELTON: I can tell you what my personal preference is. I'm not sure that it's the best way. But my personal preference is to go ahead and mark it separately. I think it makes for a cleaner record both for staff's purposes of briefing you and enabling you to come to a final decision, as well as if this is appealed, I think it creates a cleaner appellate review record.

CHAIRMAN EDGAR: And I concur generally, which is why I went ahead and marked. It helps me keep track with the paper. I do think that it helps with the record as we're all working towards briefs and, again, the subsequent steps.

It is helpful, Mr. Wiggins, also though if you point out for our benefit and others as well if it is a document that is already contained within a prior Exhibit, if indeed you are aware of that. So with that, we have marked, we have not yet entered, and we will take those up at the conclusion of this witness's testimony. But we have marked the one document.

And, Commissioner Carter, I thank you for your questions so that we're all clear. So we have marked the one document as Exhibit 29. And should we go ahead and mark then the document that is headed in the right-hand corner "Staff's First Set of Interrogatories, Item Number 16" as Exhibit 30?

MR. WIGGINS: Yes, ma'am.

CHAIRMAN EDGAR: Okay. We will so mark that as Exhibit 30.

(Exhibit 30 marked for identification.)

And is there an additional document that you would wish to distribute, Mr. Wiggins?

MR. WIGGINS: Yes, ma'am.

CHAIRMAN EDGAR: Okay.

MR. WIGGINS: This also appears in composite Exhibit 2, but we would like to have it marked independently as well.

CHAIRMAN EDGAR: Okay.

MR. WIGGINS: I believe we'd be up to 31.

CHAIRMAN EDGAR: Yes, sir.

MR. WIGGINS: And as a matter of coincidence, this is Staff's Second Request for Interrogatories, Item Number 31.

CHAIRMAN EDGAR: Thank you. Thank you.

(Exhibit 31 marked for identification.)

BY MR. WIGGINS:

Q Are you ready, ma'am?

A Yes.

Q Okay. You should have in front of you a copy of AT&T's Response to Staff Interrogatory 31 which pertains to the apparent inconsistency between the summary sheet of net present value analyses performed by AT&T and the individual backup sheets. As I understood your response, it appears that the summary sheet shows results using a 14 percent discount rate, but the detailed backup provided to staff used a 10 percent discount rate; is that correct?

A I would need to check, but I believe that the one provided previously was 11.25 or 11 percent.

Q Okay. Which did, which discount rate did AT&T, excuse me, AT&T intend to use?

A Well, this, as the answer says here, I mean, this model is really a dynamic model. And so we didn't use this model in the costs that we calculated to provide to Nocatee for the special construction analysis. This was a preliminary model that we had used internally at the very beginning of discussions about the Nocatee development to determine what the different scenarios looked like. So this is an Excel model that you can input variable assumptions into and then it generates some quick numbers about what NPV would look like.

So -- and I was not involved in the creation of this model, but my understanding at the time was that they would put in different inputs, for example, cost of capital or discount

rate is what it's called in the model, be that 14 percent, which is probably what internally we would look at, or 11.25, which I think is something the Commission has used previously, and play around with that to see how that changed the output.

We also could change the take rate assumptions to see how that changed so that we could say, well, if 30 percent take rate occurred, then what would that do to the NPV? So I don't know that I can answer, to answer your question, what we intended to use. There was never a set here's what we're going to do because we didn't use this model for purposes of this case or for purposes of assessing charges to Nocatee. Rather, it was an internal tool that we used for the business to look at and say what does this do, what does this mean about the money that we're spending internally?

Q Thank you. That concludes the questions we have on the CIAC. Those were in the nature of cleanup to make sure that we got the record straight as to what AT&T intended.

I'd like you to turn to Page 20 of your testimony, Line 18 -- Line 8.

All right. Are you there, ma'am?

A Yes.

Q Okay. If you go down to Line 15, it reads, "If the Nocatee developers would allow AT&T Florida to compete for video, data and voice service at the Nocatee properties, then AT&T Florida would withdraw from this proceeding and proceed to

build per our normal course of business without further complaint." Is that -- did I get that right?

A Yes.

Q Well, aren't you able to compete right now?

A In the private communities of Nocatee we are prohibited from providing data and video currently.

Q But you may be -- I asked are you able to compete?

A We can compete for voice with Comcast only.

Q Well, what happens if AT&T convinces Nocatee to allow it to turn up its digital and video?

A In the private communities?

Q Yes.

A My understanding of the, and I'm going to answer your question but I want to frame it with my understanding of the current easement as drafted, all that we have received from Nocatee through many discussions after the decision to go with Comcast is a restricted easement for voice only.

Q That wasn't my question. My question is what happens if Nocatee changes their mind and amends the easement?

A Well, my understanding would be at that point their agreement with Comcast would give Comcast the option to pull out of the contract that they currently have, which would mean that the developer would no longer receive the recurring revenues, percentages or the door fees that Comcast currently pays under the contract.

Q So the developer has a financial incentive not to amend your easement.

A Yeah. I think that's fair to say, given the agreements that they have with Comcast currently, yes.

Q But Comcast -- do you know if Comcast has the right of specific performance from Nocatee, meaning can they stop Nocatee from amending your easement?

A My understanding from reading, and, again, I'm just reading the documents that were provided, is that the option Comcast is granted under the contract is just the right to terminate that agreement.

Q Right. So you can continue to pitch to Nocatee right now to make it worth their while --

A Yes.

Q -- to amend your complaint, I mean, amend your easement; correct?

A We could. We have been in discussions with Nocatee about the easement since the time that they communicated to us that they were going to choose Comcast and the voice-only restriction. And we have seen, although I'm not personally involved in those negotiations, as you can see from the documents, we've seen no movement from them on changing that easement. Nor from a common sense perspective does it seem to me that they would have any incentive to do so if, if they wanted to retain the financial benefits that are there today.

Q But isn't competition you providing them the incentive to do that?

A Well, I guess it depends on what incentive they're looking at. If they're looking at incentive of money in their pocket, no. If they're looking at what's best for the, or providing more choice to the consumers in the development, yes. But I can't speak for what the developer is thinking.

Q So I want to make sure I understand this. You're saying that, that if AT&T made it worthwhile to Nocatee to let you turn up your video and digital, meaning financially worthwhile to them, they wouldn't do it?

A I can't speak for what the developer would or wouldn't do.

Q But you can compete on that basis, can you not?

A I'm -- I don't know that I understand your question. Will you ask it again?

Q Well, your testimony says that, that if you could only compete to provide service, and I'm saying that you could compete in the market by pitching to AT&T, to Nocatee to allow you to provide digital and video. There's no prohibition anywhere against them doing that.

A No, there's not. I mean, we are, we are providing service in the public areas of Nocatee, and that's where --

Q I mean the private areas.

A Right. But I'm using that to say, I mean, we

certainly want to compete, we want to offer our services even in areas where there's an exclusive marketing agreement which would give a benefit to Comcast but certainly doesn't preclude us. We are there, we are competing on the basis of our service that we offer.

In the private communities really what we're -- we don't have an opportunity at this point to compete with the customer. We're competing with the, at the developer level with offers. The developer has decided to go with Comcast presumably for the financial gain that they'll get and excluding AT&T so that that agreement with Comcast stays in place.

Q But you competed with Comcast and other developers, other providers, did you not, early on and you won? Is that not correct?

A Won as in a contract? Or I'm not sure that I understand.

Q Well, what is your understanding of -- put it this way. AT&T produced a document for us which I don't need to show to you. It gives a chronology of its dealings with, with Nocatee.

A Correct.

Q Okay. It begins in August of 2004. What is your knowledge of those transactions and communications and contacts between AT&T, in those days BellSouth, and Nocatee?

A I was not directly involved in those negotiations. I've obviously read the documents that were provided and that's my, the basis of my knowledge.

Q Isn't it true that Nocatee issued an RFP to some five, six, seven carriers and said come in and make your best pitch?

A That's my understanding. Yes.

Q And did not AT&T win? BellSouth. Excuse me. Did not -- I'll reframe the question.

Did not Nocatee decide to negotiate exclusively with AT&T for the private and public areas or do you know?

A I'm not certain if they negotiated exclusively with AT&T. We did negotiate with them, yes.

Q Okay. Do you know what conditions that AT&T, excuse me, BellSouth was requiring in their negotiations with Nocatee?

A I'm not specifically familiar with all that other than the documents that were provided.

Q Do you know why Nocatee terminated its negotiations with AT&T and went to Comcast?

A I'm not certain other than just the answers that Nocatee provided in this case, but I have no other knowledge.

Q You have no direct knowledge of that?

A Right. Correct.

Q Do you know how long it took Nocatee to achieve an agreement with Comcast?

A I believe that I remember reading in here something about that as presented by Nocatee, but I don't have first-hand knowledge of that.

Q Well, according to this document produced by AT&T, AT&T was in negotiation with Nocatee for, from August of 2004 through roughly June of 2006. Roughly 18 months.

A Correct. I'm sorry. I thought you asked me about the negotiations with Comcast.

Q No, I did. I'm, I'm trying to say that isn't it true that AT&T/BellSouth were in discussions and negotiations with Nocatee for some 18 months?

A Yes. We did discuss with them for a while as they were developing their development and we were talking to them about service.

Q So whatever happened, you weren't able to bring it home.

A That's obviously my understanding and based on the facts in the case and the fact that we're here.

Q So AT&T had it in their hand, lost it, and Comcast -- and Nocatee went to Comcast?

A I can't say that that's the case or not. I mean, there were negotiations that occurred. Nocatee chose to go with Comcast instead.

Q Well, when this began it was BellSouth, not AT&T; correct?

A Correct.

Q And then when AT&T acquired BellSouth or merged, whatever the right terminology is, I believe it was Mr. Chrysler made a presentation about how great AT&T would be, how they would bring the full power of AT&T, the full footprint, the full range of services. So my question is how can AT&T not win when it goes against Comcast and Time Warner and others in negotiating contracts with developers? How can you not win?

A Well, I think we would need to ask Nocatee that. I mean, they obviously chose a different provider. I'm not certain of all the circumstances surrounding that.

Q But I began this by pointing to a point in your testimony where you said that if you could compete, you would go home and compete.

A Right. And what we're -- what I'm referencing there is if the developers would allow us to compete for customers. Right now they have issued a voice easement restriction to us, which means we can only provide voice service. So we are prohibited under that easement from competing for data and video in the private developments.

Q But if you had, if you had actually succeeded in arranging the agreement with Nocatee that was apparently discussions which you don't know all the elements of, it would be Comcast that would be out; is that correct?

A It would be -- excuse me?

Q Comcast that would not, that would be excluded; correct?

A That's correct. And, you know, I mean, I think that's pivotal to why we're here today. And Comcast would have no carrier-of-last-resort obligation to serve and nor would we be arguing that they should be in there serving. I mean, that's really why we're here. We're here because there is a voice provider. Comcast has both, you know, the ability to provide video and data under an out in their contract if anyone else is allowed in and they have an exclusive marketing agreement for voice, so we know they're going to provide voice. And really the question is so does that mean that AT&T still has an obligation to be in there providing voice as well?

Q Well, obviously the essential question here is whether you continue to have an obligation under the law to provide voice.

But let me go back to my question which I'm not sure you heard is that you did compete, in fact, you won, then you lost, Comcast won. Why shouldn't we just see you as coming here complaining about a bad business on your part?

A Well, I think, I think there's two, two pieces of "How do you compete?" I mean, what I'm talking about in my testimony and I think the pivotal thing is competing for customers. The development discussions with the developer,

yes, I guess you could argue that's a form of competing. That wasn't what I was referencing in my testimony.

But I think to answer your question, again, I have to go back to if Comcast had not won the deal and AT&T had, they would not have an obligation to be in there serving. And really that's what we're talking about: Is there a voice provider in the development? The answer to that is yes. And so -- and added to that further, you know, what is the cost to provide another voice service in that development? And looking at those two facts, does it make sense to have a carrier-of-last-resort obligation in that instance?

Q Thank you. I want to be clear here. I understand the uneconomic argument that is that given the way the contracts lie today that if, in fact, you are continuing to be prohibited from turning up the digital and video, that you believe it would be uneconomic. And since there is an alternative provider there to provide voice, that it makes no sense to apply this anachronistic requirement, if I've heard your, your summary correctly. Did I get it right?

A Correct.

Q Okay. But you've also said, I believe, in your opening statement, Mr. Meza said that developers and the carriers were hijacking the carrier-of-last-resort obligation.

I'm trying to figure out if you won the, the initial RFP and you did it for 18 months and how did, how did, how does

the COLR even enter into this?

A I'm sorry. I don't --

Q Where does the carrier-of-last-resort obligation even enter in to the negotiations between AT&T and the developers? Because it didn't even enter into it until -- because you won.

A Yeah. I don't think it does. I mean, I think those things are completely independent of each other. The negotiations for services are to provide service in the full suite. And, yes, we did negotiate with the developer. Currently developers are in a mode in high development areas of wanting to enter into deals with providers for a number of stated reasons that they've put on the record or financial gain or whatever.

To compete, yes, we have to negotiate. That doesn't -- that's independent of then, you know, what happens on the out, on the back side if we're not the provider.

Q The reason I'm, I'm laboring on this a little bit is that it's your testimony in your case that suggests that somehow -- unless I've misunderstood you, and if I have, tell me -- that somehow we're here and we're going to be here more because developers and alternative providers such as Comcast and others are leveraging your COLR obligation and hijacking it and thereby winning and putting you in this position of having to provide voice at a loss. Did I miss your --

A No, I wouldn't, I wouldn't say that that's the term

in which we're using hijack. I don't think that the leverage piece comes into the negotiations. I think that the hijacking piece is after they have chosen a provider to provide service, they're trying to use the COLR obligation to then force an uneconomic investment.

Q Oh, okay. How many, how many waivers have you requested, has your company requested, or do you know?

A We have filed -- I don't know a specific number. We have filed letters pursuant to the statute about, I guess automatic relief scenarios would be a good -- and then we have several outstanding petitions before the Commission. I know that we have Avalon and we have this case obviously as well as Cabana Bay, and there might be others that --

Q I'm sorry. I didn't get the last one.

A Cabana Beach.

Q Cabana Beach. So three, four?

A There might be more.

Q Less than six, do you know?

A I don't know. It's in that ball park. I don't know. There could be six, there could be less. I'm not certain.

Q Do you know how many automatic waivers your company has filed?

A I'm not certain of the exact number.

Q All right. Subject to check, would you accept that it's 67?

A Certainly.

Q Sixty-seven automatic waivers less than, you know, apparently a half dozen petitions for good cause. Would you explain to me how in the marketplace the developers -- or how this is working where the carrier-of-last-resort obligation is being used by developers and alternative providers to disadvantage the ILEC?

A Yeah. I'm not certain that I understood the question, but I'll attempt and you can --

Q Well, let me, let me reframe it. Under the statute there are automatic criteria; correct?

A Correct.

Q All right. They've been invoked -- AT&T has invoked, subject to check, the right, that avenue of avoiding the COLR obligation 67 times; correct?

A Subject to check.

Q Okay. Well, you got what you want there. They're not trying to traffic on your carrier-of-last-resort obligation 67 times. But when it comes to the one that you're worried about, which is why we're here, and we're told that the Commission needs to take, send a message and understand the signal they're sending the market, there's only been four, five petitions for waiver for good cause. So the data seems to suggest that it's not happening.

A Well, I guess I would interpret that differently. I

mean, I think if there's six or seven or whatever the number is, I think that's a fair amount of, of situations where this is occurring that obviously the Commission needs to look at. I mean, the statute recognized certain automatic relief situations and took care of that. I think that the Legislature probably also recognized there are probably other circumstances that they couldn't anticipate or that didn't cleanly fit into a statute and obviously saw that this Commission would be an appropriate place to handle those.

I wouldn't say that six or seven is not significant. I think it is significant. And I also think that developers are watching what happens to see, and that this is not, you know, these are not the only ones that are going to happen. More happen as more developments occur. And I think that we have to figure out what are the criteria, what are the parameters around this to get some guidance.

Q Thank you. Well, let's go to the statute then and look at the, look at what the statute actually says. Do you have that in front of you?

CHAIRMAN EDGAR: Mr. Wiggins, let me break in for just a minute. Can you give me -- and I'm not pushing you -- but can you give me just a rough idea, I'm trying to track our time a little bit, as to about how much time you have left roughly, approximately?

MR. WIGGINS: An hour.

CHAIRMAN EDGAR: Okay. Then it seems like maybe an appropriate time, I'd like to take a short break.

MR. WIGGINS: Thank you.

CHAIRMAN EDGAR: And we will come back -- we always stretch, so let's go ahead and say 11:30. Does that give everybody -- again, just to give us a stretch and the witness as well. We will come back at 11:30. We are on break.

(Recess taken.)

Okay. We are back from break. We are back on the record. And when we paused, Mr. Wiggins, you were on cross.

MR. WIGGINS: Thank you, Madam Chair. And during the break I was able to eliminate some questions, so I think my, I think my time will be significantly shorter than I thought, partly because Ms. Shiroishi is doing such a good job of answering the questions.

BY MR. WIGGINS:

Q I'd like to move to the law, if, if I could, Ms. Shiroishi. Would you -- do you have the statute in front of you?

A I have the section that we attached to our petition.

Q Yes. Great. Let me get my page here.

If you'll look at, I'm just going to say (b)(1) for me, please. Do you see it?

A Are you talking about under (4)(b) or (6)(b)?

Q Yes, ma'am. I'm sorry. 364.025(4)(b)(1). I've got

different versions here. The automatic --

A Okay. So (6)(b)?

Q (6)(b). I'm sorry.

A Okay.

Q Do you see it?

A Yes.

Q Okay. As a paraphrase of that, would you agree that you get an automatic, excuse me -- the LEC enjoys an automatic waiver of the COLR obligation if the LEC is excluded from installing facilities during construction?

A Under (b)(1), yes, it says, "If only one communication service provider is allowed to install service-related facilities to the exclusion of the local exchange telecommunications."

Q So it's focusing on facilities.

A It says, "Service-related facilities or equipment."

Q Right. Okay. Thank you. And if you look at. (6)(b)(4) -- are you ready? In my language, if the developer gets money for restricting the LEC's access to the property, there's an automatic exemption.

A Correct.

Q Okay. The other two apply to voice. (6)(b)(3) says, in my language, if the property charges -- if property charges are used to pay for voice services from an alternative provider. Would you agree with that shorthand?

A Yes.

Q Okay. And then (b)(2), (6)(b)(2) says if the developer gets money for excluding the LEC from providing voice in my language, in shorthand.

A Right. And it also references accepting incentives or rewards.

Q Right. Thank you. Okay. So anywhere in here is there any mention of digital or video?

A No.

Q Okay. Any mention of financial hardship to the ILEC?

A For the automatic outs -- well, I think you could argue that excluding a communications provider is an economic thing, but there's no reference specifically to economics.

Q So one could infer economic consequences as being a reason for the statute but it doesn't say it explicitly; is that fair?

A Correct.

Q Okay. Thank you. When you turn to the good cause section -- actually, let me put my hands on it. Thank you. Does it say anything about digital or video?

A It just references the facts and circumstances of provision of service to the multitenant business or residential property. So it doesn't, it doesn't limit it to communication services, which is defined as voice, but just references to services, provision of service.

Q Right. Does it mention economic hardship to the --

A Well, it references based on the facts and circumstances, I think obviously contemplating that could be one, but it does not specifically say economics.

Q So if one looks to the statute that contemplates waiver from the, of the COLR obligation or either being excused from it, one will find nowhere any explicit reference to digital, excuse me, to, yes, to digital, video or uneconomic provision of service by the LEC; is that correct?

A Well, I would argue that provision of service could actually be interpreted. I mean, I haven't looked at this in this context before. But just in looking at it there are places in the statute where it references communication services, and that's clearly defined as voice or voice replacement. In this provision of (d) it just references provision of service.

So I don't -- again, I'm not a lawyer and I'm just reading this, answering it based on what you've asked me. But I think there could be a difference there that could have meaning.

And I also think that there's no specifics given in this section for what does or doesn't constitute good cause other than that the Commission will look at it from a facts and circumstances basis.

Q Based on the provision of service to the multitenant

business or residential property.

A Correct.

Q So the statute really is directing the Commission and the parties to focus on the specific property under the law; would you agree with that?

A I think that's an accurate statement.

Q Okay. And a lot of our earlier cross and discussions have been involved with policy implications and history and the like, but the statute focuses on the property; is that -- would you agree with that?

A I think for determining where good cause is shown, yes.

Q Okay. So let's go to the economic, uneconomic issue if we could, because I believe that's a central part of your request or your case to demonstrate good cause is that it's uneconomic to provide service in these two private areas; is that correct?

A Correct.

Q Okay. You were in the room when Mr. Bishop was cross-examined; is that correct?

A Yes. Yes.

Q Okay. He was asked some questions about the relationship between Avalon and Nocatee for the purposes of making projections about penetration rates and the amount of revenues one could, could expect. I need to visit some of that

same material with you because I believe you address it in your testimony and elsewhere.

Okay. I believe it's on Page 16, beginning on Line 10 of your testimony, you speak of Avalon entering into contracts with alternative providers. So I guess my question is this: Is it because of the similarities you see between Nocatee and Avalon that you assume a take rate for approximately 20 percent, roughly 20 percent?

A Correct. Both developments contain single-family units. And as we talked about earlier, we don't have a lot of history or data around these type of developments. This is a relatively new thing in the market. So when we were looking for what would be a good estimation of a potential take rate, we looked at Avalon and had the data there to know what developments were actually occupied, which is important in a new development, and then also where we were providing. And since they are both single-family units, single-family homes, we felt that was a very good proxy.

Q Okay. So let me just run down the list here. Have you reviewed the contracts between the developers in Avalon and the alternative providers for voice service in Avalon?

A No. To my understanding we have not been provided any documents that would have any information about that.

Q But you have reviewed the documents between Comcast and Nocatee?

A Correct.

Q Okay.

A Let me clarify. The ones that have been produced in this case. There could be others, but the ones that have been produced.

Q Yes, ma'am. Thank you.

Are the charges for the provision of video and data service to the residents of Riverwood and Coastal Oaks paid through residential homeowners' dues?

A No. It's my understanding that they are not.

Q Do you know whether the charges for provision of video and data services for the residents of Avalon are paid through homeowners' dues?

A It's my understanding just in discussions that potentially it is an arrangement where it is, but I don't have any, any documents that say that.

Q So you don't have first-hand knowledge of that at this point?

A Correct.

Q Okay. Thank you.

Okay. Do you know -- well, let me start all over on this one.

Are cable facilities such as Comcast installs considered to be telecommunications facilities or is that a term of art reserved for the kind of fiber-to-curb facilities

that AT&T installs?

A Well, I think this is a tricky, tricky question to answer. I mean, there's an FCC definition of telecommunication services obviously and then there's various state statutes, depending on that.

From a -- are you asking just from a regulated perspective whether Comcast is regulated or --

Q No. I'm actually asking if they're the same kind of facilities. What I want to ask you, do you know whether the facilities put in Avalon Phase I and intended to be put in Avalon Phase II are more like Comcast's facilities or more like AT&T's.

A I don't know specifically about the facilities.

Q Okay. If the facilities being put in Avalon were akin to AT&T, and I'm going to call those telecommunication facilities, as opposed to Comcast cable facilities, would that affect a comparability analysis?

A Well, I think we need to back a step up and look at really what we're trying to get a handle on with take rate. And from the customer perspective that's going to be around the service they're provided. I mean, really very few customers get into the technical details of whether it's a cable system and coax or whether it's a fiber system, you know, with fiber. So I think from a customer perspective they're looking at just the service that's provided. And so the voice service that

would be provided in Avalon I think is very similar probably to the voice service that's going to be provided at Nocatee.

Q Okay. So this is the key point here I want to get to. You're assuming for the purposes of your analysis that the voice product offered in Avalon I and Avalon II -- I guess we would need to say the Avalon I actually, I'm getting ahead of myself -- the voice product is a VoIP kind of product that, along the lines of what Comcast might offer.

A I'm assuming that, yes. I'm not certain of that.

Q Okay. If, if it wasn't, if it were a, let's say, what I would call a traditional telephone company CLEC providing the service, would that be something you would want to consider before making a comparability analysis?

A Again, I don't think that it really changes the analysis. From an end-user perspective they're both voice service, albeit perhaps from an alternative provider. But I don't think that it changes from a consumer perspective whether or not -- I don't think that it would vary the take rates substantially.

Q Okay. So the nature of the contract, the way the charges are paid for and the exact kind of service being provided as voice do not factor into your, your view for -- factor into establishing comparability for, for revenue analysis?

A I think that the way -- you referenced earlier if

it's included in a homeowner's fee or not. I think that could factor in if it's the voice that is included or not. But from a video and data perspective, I don't think it would substantially change that.

Q Well, you know, I guess it's Riverwood, as I recall, has a significant elder population. Is that your understanding as well?

A It's my understanding that one of the developments is what they term an active elder or senior community I think is the term they use.

Q Have you given any consideration in your revenue projections as to whether an elder community, an older community would be sanguine about VoIP versus traditional voice?

A Yes, I did think about that and look at that. I think the difference is the Comcast product that's being provided is not -- I mean, there's two different types of VoIP products. There's what I'm going to call an over-the-top VoIP product which has been made popular by Vonage and AT&T has CallVantage and others that ride over the top of a broadband connection. There are others which I'm going to just generally refer to as fixed VoIP, which is my understanding that's what Comcast is providing, which are much more akin to a land, a traditional landline offering that we might offer. And so I think those two would definitely play into the consumer's

choice as to how they provide service and what they pick.

With the fixed VoIP, that product is actually fairly similar from a standpoint, a consumer standpoint, although it does offer enhanced features and functionalities like the ability to check voice mail over the Internet or something like that. But it has the reliability and it has a, you know, the other safety type precautions. So I think that that -- those two factors, I think, would play in if we were discussing an over-the-top VoIP versus a traditional landline. But from a Comcast product standpoint I think that consumers, yes, some are going to probably prefer a landline and that's why we assumed a 20 percent take rate, but others -- I think that that decision is probably less pivotal given the type of product.

Q Thank you. I think I need to be more direct on this one. If Avalon Phase I is actually providing traditional telephone service, not Comcast, not a VoIP product but traditional telephone service, and AT&T has a penetration rate of 20 percent there, does it sound reasonable to you to use that as a comparison for, for your penetration rate in, in Nocatee where the competitor is a VoIP product, particularly given, particularly given the fact that they're older populations? You know, it's either yes or no.

A Yes. I think it's reasonable to use that. And, again, the actual penetration rate was about 15.5 percent and we assumed a 20 percent.

Q Okay. Thank you. I'd like clarification as to what AT&T's basic approach is to uneconomic. Do you know whether AT&T has a position on whether it will provide service if it can't have all, if it can't have the triple play? In other words, let me ask you, is it true that AT&T will not provide service if it doesn't get an opportunity to provide all three?

A The analysis that we go through for each of these developments looks at all of the factors. We certainly look at the anticipated revenue, the anticipated costs. So I can't answer that it's an all-or-nothing based on that one decision. It's not. It is a factor obviously only because that then plays into the anticipated revenue that would offset the investment.

Q Do you have any examples of where you've provided less than all three?

A There have been some circumstances where we have provided service and without all -- with a restricted easement or without being able to offer all and the circumstances of those vary. In one particular case, actually in Avalon Phase I we were in negotiations and did not realize that we would be given a restricted voice easement. And so by the time that the actual, that realization came about with the discussion, we had already placed the facilities. So that could be one example.

Q Other than a mistake, have you?

A There could be one where the investment is not as substantial because, as Mr. Bishop referenced, the geography is not as wide or for whatever reason the cost is not as great. So it would really vary depending on the circumstances of the actual deployment. But, again, for each of those what we look at is what is going to be the cost to serve, what is going to be the anticipated revenue and that's how we make a decision.

Q Now the organization you work with inside AT&T is called policy -- I'm sorry.

A Regulatory Planning and Policy.

Q Regulatory Planning and Policy. Which section within AT&T negotiates the deals with developers, which unit?

A Currently postmerger that's in an organization that's I think referenced as Smart Moves. In BellSouth it was BellSouth Community Technologies.

Q And do you work with them?

A I work with them, yes, but I do not work in that same business unit.

Q Do you work with them in the sense of actually negotiating deals with developers?

A No, I do not.

Q Okay. Do you have first-hand knowledge of how they respond to market conditions in structuring their offers?

A I'm not involved in that first hand. Again, I deal with the regulatory policy piece of things and planning. And

if there are issues that are related to that, then I would be involved potentially, but not the actual negotiations.

Q Do you know if they've ever offered a deal where they would do exclusive on voice, compete for data and concede video as exclusive to the cable company?

A I do not know.

Q Okay. Thank you. When does AT&T decide that it -- let me rephrase that. I'm sorry.

I'm trying to understand for the purposes of the record and informing the Commission how AT&T decides to seek either a CIAC or seek a waiver. And I guess my question is this, if you don't get the triple play, is that when you do it or is there something more to it than that?

A No. Again, what we look at is what is going to be the cost to serve the investment and then what is going to be the anticipated revenue, and obviously that has as an input the take rate. And those are the things -- and obviously whether we can or can't offer all of our services affects those things, but that is really the analysis that we use. I mean, we are a business, we need to stay viable, so we have to use our dollars wisely. And obviously we can't continue to be viable if we're entering into investments that aren't going to pay back for 20 years.

I mean, you know, just as a person I think of it as if I had $100,000, would I put it into an investment that I'm

not going to get anything back for ten years? Probably not.

And so what we look at is, you know, how are we going to use our dollars wisely to bring services to the most residents? And so the analysis that we look at is what is the cost going to be and then what is the anticipated revenue going to be? And, again, whether or not we can offer all our services plays into that revenue piece.

Q Thank you. To your knowledge has AT&T considered using fixed wireless to serve these type of developments?

A I am not certain that we have looked at using fixed wireless for these developments or not.

Q Do you know whether AT&T holds licenses to provide fixed wireless in Florida?

A I do not know.

Q Okay. I think in your testimony you've used the word "uncertainty," that there's uncertainty in penetration rates. Certainly it's been in the discovery. And it seems to me that one of AT&T's positions is that it's very difficult in this new and fluid environment to project what exactly the take rates will be and what your revenue flows will be. Is that, is that a fair characterization?

A Yes. I think obviously that as this situation develops we're learning more. But, yes, right now you're not -- there's no hard and fast data that would help us to know. And certainly Avalon Phase I is the most concrete data

that we have.

Q Well, if, if you decide, if we grant the waiver -- we -- if the Commission -- sorry. If the Commissioner grants -- if the Commission grants the waiver, then your certainty goes up 100 percent, doesn't it? You get no revenues in that area; is that correct?

A Again, I mean, there's been a lot of questioning around would we serve if the developer paid special construction and things like that. So in that situation you could have revenue if the developer decided to pay the special construction charges.

Q But you don't serve a penetration rate of zero; right?

A Correct.

Q Or you don't build your facilities when there's a penetration rate of zero.

A For the private.

Q Pardon?

A For the private areas.

Q Yes. For the private.

A I mean, obviously still we're still serving the public areas.

Q Just focusing on the private area for the moment. Have you considered in your analysis the opportunity cost of not laying fiber in there?

A Yeah. I mean, we've certainly considered that and that is why our preference is to serve. I mean, we are on record at the FCC saying that we wish -- we want the FCC and we encourage them to actually ban exclusive access agreements. Our preference is to lay our plant and serve our customers. That is what we want to do.

Q So if, if you lay your cable and the restrictive easement stays in place, and Year 5 under some of your projections which you believe to be reasonable you will not have recovered your capital at that point; is that correct?

A We will not have recovered it. Correct.

Q But if the FCC adopts a policy that forbids the kinds of restrictions that you're serving under, you would then be free possibly to compete on all three; is that correct?

A I think, and, again, I'm not a lawyer, I think that probably there's two issues at hand with the FCC. The first is going forward, what should the rules of the road be? And then the last is going backwards, what do you do about contracts that exist? And I am not certain that the FCC would take action to abrogate those contracts. So I don't think that's a fair assumption.

Q Okay. But it is fair to say that there's uncertainty about what kind of opportunities there will be in the two private developments for the next 20 years for AT&T even under the current arrangements.

A I guess I don't see it that way. I mean, I think it's fairly certain. There's a 15-year contract in place, and I think that absent something that changes the easement restrictions which we haven't seen, for business purposes we have to plan on that and use our money wisely according to what we know. I don't actually feel like it's that uncertain for this development.

Q And that's a key part of your analysis and opinion that you do not believe it's --

A I think it certainly plays into the economics, yes.

Q Okay. When I asked you about the opportunity costs, you, you said, yes, you did consider the opportunity costs and that's why you looked at other places you could put your capital. Okay? What I'm specifically going to is the opportunity costs of not having plant in place in the future if, in fact, there is the ability to compete due to circumstances that you're not now aware of and cannot predict. Have you considered that?

A Yes, we have considered that. But looking at the circumstances and the easements that have been offered to us as well as the contracts and our understanding of the long-term nature of the contract, it would seem that the best use of that money would be to use it somewhere else where we know that we can provide service to end-users rather than putting plant in the ground under what we feel like is probably not a likely

scenario that we would eventually get to use it for all services.

Q When I said you said you did, how did you? Did you put a dollar number on it, did it go in a matrix somewhere for your assessment or did you just say we don't think that's going to happen and we need to go this way?

A No. I mean, we discussed the importance of having a presence and issues related to not. We did not create any numbers or matrix around that because, quite frankly, I'm not sure how you would. I mean, I guess you could try to build a model that said, well, if the easement changes in year six, or year eight or year nine. That would all just be speculation on our part.

Q Okay. And I just -- let me just tell you what my problem is with the analysis, and please feel free to disagree with me, I assume you will, but the point is, is that, is that the contract with Comcast as we understand it here based on the record is not a prohibition against the developer letting you offer those services. It's a contract that creates economic consequences for the developer if they do. And what I'm asking is did you take that into account in thinking about how you would be competing in the future?

A Yes. But I think on the flip side of that the easement that's been offered to us, which it's my understanding easements are fairly difficult to change even especially after

the homeowners association, it gets handed off to them. That's where the restriction comes in. I understand that the Comcast agreement is structured the way it is. But for all practical purposes from AT&T's perspective, the easement that we have been granted is a lifelong easement that will exist in perpetuity and would not allow us to offer those services.

And, again, I think when you go back to the statute, I mean, the Legislature clearly recognized there's four scenarios that grant automatic relief and there's other scenarios that would potentially merit consideration. And so I think the analysis really that we have to focus on from a policy perspective is whether or not good cause has been met to be relieved of COLR, not what are all the different options for kind of lessening the cost to serve or anything else.

MR. WIGGINS: Okay. Thank you. Madam Chair, may I have about three minutes to look? I think I've eliminated a lot of questions. If I could just take three minutes to go over --

CHAIRMAN EDGAR: Let's just take an informal moment.

MR. WIGGINS: Thank you.

(Pause.)

CHAIRMAN EDGAR: Okay. We will go back on the record and you can conclude your questions.

MR. WIGGINS: Thank you. And these may jump around a little bit but that's mainly because your answers have covered

a lot of territory, so.

BY MR. WIGGINS:

Q Let's assume for a moment that AT&T is relieved of the COLR obligation for good cause and one of the more -- one or more of the alleged critical facts supporting AT&T's petition for COLR subsequently changes. Does AT&T in Florida believe that the COLR waiver would remain in effect?

A And I believe that we answered this in an interrogatory. And I think that's hard to speculate on because it's going to depend on how, you know, what this Commission says in that order. But certainly I think that if a key fact changed and that was something that the Commission had relied on as their answer, then certainly that perhaps would be something that could be reconsidered. But I have a hard time speculating not knowing what the Commission might or might not say and how they might make their determination.

MR. WIGGINS: Okay. That may have been my last question, but let me make sure. They said, "Please, make it your last question."

Thank you. I'm done. I very much appreciate your, your responsiveness, and thank you.

THE WITNESS: Thank you.

CHAIRMAN EDGAR: Okay. Thank you, Mr. Wiggins.

And, Mr. Self, do you have questions on cross?

MR. SELF: Yes, Madam Chairman, just a couple. This

won't take real long.

CROSS EXAMINATION

BY MR. SELF:

Q I guess we can say good afternoon, Ms. Shiroishi. I'm Floyd Self on behalf of Nocatee. I just have a couple of things really more in the nature of follow-up things that you've already said.

First, I'd like to focus on something you said in your summary. And what I wrote down was -- I believe you said every customer will have access to phone service in the private communities of Nocatee; is that correct?

A Correct.

Q Now if this is true -- and I understand you're not a lawyer, so I'm not asking for legal opinions -- but if this is true, why didn't the Legislature just abolish the COLR requirement?

A Well, again, I can't speak for the actions of the Legislature. I mean, I do think certainly the legislation currently has an end date in it, so there is a, you know, a date that's currently set to where we won't have that COLR obligation. As the legislation stands now, it will go away.

I think that what the Legislature in the change with the four automatic release was looking at were just situations where developers are entering into certain actions. So I think they were addressing a specific instance in trying to remedy

that. But, again, I can't really speak to specifically the intent of why they may not have done something differently.

Q Well, certainly the four statutory bases for the automatic waiver, I mean, in those cases you're truly locked out of the ability to provide service; correct?

A In certain of them. But in others it relates to whether the fees are included or not and other things. So, I mean, they're not -- I wouldn't say that all four of them are strictly physical lock out.

Q Okay. Well, physical or economic, yes?

A Yes.

Q Okay. Would you agree with me that since the Legislature did not abolish the carrier-of-last-resort requirement, that the Legislature believed that the mere presence of alternative providers was not a sufficient basis to end the COLR obligation?

A No. I don't, I mean, I don't know that I have any information that would lead me to say I could agree to that. I think the Legislature clearly determined there were scenarios where COLR wasn't needed and they put in place the four automatics. They also recognized that there were other situations that the Commission perhaps would be in a better place to determine whether or not those also qualified. And so in those instances they clearly felt like there was no need for an alternative because someone was there providing service.

I'm sorry. I should have said there's no need for a carrier of last resort because someone was there providing service.

Q Okay. Just to be clear, so the fact that other carriers are present and available to the customer, that's not a basis for waiving the carrier-of-last-resort requirement; correct?

A No, I would not say that. I mean, I think that the Legislature laid out four automatic relief scenarios. I think those clearly contemplate encompassing areas where there is an alternative provider. They also contemplated that there were scenarios that perhaps didn't neatly fit into a statute that would be best suited by having the Commission look at them. But clearly all of the four that exist use and reference the fact that there is an alternative provider. I mean, carrier of last resort by its nature means that, that there's someone there to provide service.

Q All right. But standing by itself, the mere presence of an alternative provider is by itself not a basis for a waiver of the carrier-of-last-resort requirement.

A That's not specifically how the Florida Statute is written, no.

Q Okay. You also mentioned or discussed earlier in some cross-examination about the special construction provisions of your tariff, and I want to talk with you about those just for a couple of moments.

And I think I heard you say in response to Mr. Wiggins that while you've used special construction charges for many years, that you are not aware of any situations prior to the COLR statute, COLR waiver statute where you're requiring developers to pay for the installation of the network. Did I get that right?

A Correct.

Q Now you would agree with me that before the COLR waiver statute, that for decades AT&T built local voice telephone networks for developments like Nocatee without seeking any compensation from the developer; correct?

A Correct. And in those circumstances I'm not aware of other actions such as we've seen here where we're prohibited from providing certain services.

Q Okay. But, you know, depending on how far back in time you want to go, you were not providing video services, you were not providing broadband or data services, and yet you were still building those networks; correct?

A Correct. And depending on how far back you want to go, we were under different regulations for those services as well.

Q Well, certainly, say, between 1996 and 2006 you were building those networks for voice only in many cases; yes?

A In some cases, yes. I mean, but, again, with the advent of competition, which is exactly what this Commission

has fostered and wants to happen, there are now alternative providers. And carrier of last resort is really about having an insurance, if you will, that there will be a carrier to provide service. In these instances we know there's a carrier providing service.

Q Okay. I want to -- you were asked a couple of questions about your basis for the 20 percent penetration analysis that you used. And I believe with Mr. Wiggins you talked a little bit about the Avalon development, and I just want to clarify something.

Would the presence of a bulk service agreement for some or all of the services have a different impact on a customer's choice as to whether or not to choose taking your service versus the service that was being provided pursuant to the bulk agreement?

A You asked me if that would have an impact on their choice. I mean, I think they would still be free to choose another provider, assuming that the easements allowed for one. Perhaps it would change their buying behavior if they already were paying for it and would be paying on top of it for voice, which is what we're talking about.

Q Okay. Last couple of questions. Does AT&T derive an economic value from having an ubiquitous network?

A That's a difficult question to answer. I mean, I think that depends on what, what context that you're asking do

we derive an economic value. I mean, I think it certainly plays into certain products that we offer and the scope. I'm not sure that I could answer that in the context of an economic model or how that would affect that.

Q Well, certainly in terms of what this Commission regulates, having the ubiquitous voice telephone network that you've built up over the last hundred years or so has brought great value to the company, has it not?

A Well, it allows us to provide service in more areas. I mean, I'm not certain that -- it doesn't change our cost to deploy in this area, it doesn't change anything about this particular development.

Q Okay. But, for example, other carriers ask to interconnect with you, not the other way; correct?

A Well, the obligation to interconnect is a mutual obligation under 251. So, I mean, yes, there are times that we ask to interconnect with other carriers and there are times that they ask to interconnect with us.

Q Okay. Do you have any sense of who asks whom more frequently?

A I mean, I think it really depends on what you're looking at. From an out-of-region perspective it's probably about equal. I mean, from a CLEC interconnection perspective, most of the time CLECs are asking to interconnect with us only because there are many more of them and perhaps we don't even

know they exist until they come and ask to interconnect with us. But that depends on whether you're talking kind of in region and competitive overlay versus out of region and the ability to interconnect so that an end-user in AT&T's service territory can call an end-user in Verizon's service territory.

Q I'm just focused on the AT&T local network in Florida.

A Right. But even within Florida we have carriers that have adjacent service territory that we would need to interconnect with.

Q Sure, and I understand that. But in terms of the CLECs, the IXCs, the cellular companies, AAVs, STFs, I mean, isn't it true that as a general proposition that those companies are asking to interconnect with you, not the other way around?

A Again, it would just depend on the circumstances. But, yes, typically that is the way it works.

Q Okay. So by not building a network in the Nocatee private communities, aren't you causing a potentially far greater uneconomic cost on the company than by not making the investment and building the network?

A I guess I don't see that. Maybe I'm missing something in your questioning, but --

Q Well, this is a 14,000-home master plan community and potentially half of the, half of the houses within the

community are, are going to be in private communities. And if it's determined that the carrier-of-last-resort obligation is waived, you're not going to serve those houses unless you receive compensation from the developer; correct?

A Potentially, yes.

Q And so if you don't build a network to those communities -- I mean, in looking at the analysis that you provided in some of the discovery responses, I mean, you could potentially recover your costs for some of those, for the private communities perhaps within six to ten years depending upon the actual penetration rates that are achieved in those communities; correct?

A Again, it depends on a lot of variables. Penetration rate would be one. I mean, the other thing, and I think that we referenced this in our interrogatories, this NPV model, which I'm assuming is what you're referencing, is an initial look at, at potential deployment. It doesn't include a lot of the costs that would be included if we were looking at it holistically. As my finance guy likes to say, if I followed this model, I'd be out of business in a year for everything.

So certainly this is kind of the, I don't want to use this in a cost model terminology, but kind of the incremental or the additional costs that it would take to build. So it doesn't take into account all of the cost of running a business and all of the other types of things. But when you look at

those variables, I mean, there are scenarios.

But, I mean, just to be clear, our preference is to serve. We want to serve. We are serving in the public areas. And I think that's the best proof that we have that we're serious about this business and we're not just, you know, going home because we're unhappy that we can't get all that we wanted. We are in there serving in the public areas where there's still an exclusive marketing agreement. We are not serving in this area because we have a restricted voice easement or our position is that we don't want to serve because of the limitation of that service. So it is our preference to serve, but, again, we have to make economic decisions to stay viable.

Q Okay. And I think Mr. Bishop testified earlier this morning that the network that's at least planned for deployment in the private communities is being designed, with the exception of some electronics and things, but it's designed at least to potentially serve everyone in the private communities; correct?

A Correct. As he stated, I mean, obviously we have to be ready to serve because we don't know which consumers will and won't ask for service. And then again as he stated, and this is my simple thinking of it, I like to think of it in terms of the lines and the electronics. And so, yes, the lines are the same. We're going to put it to the house because

that's the cheapest thing. The electronics that make it smart, that make it do video or make it do data we wouldn't be putting in because we can't under the easement provide those services.

Q Now once that investment is put in place, is it safe to assume that -- well, let's just put aside who pays for it for the moment. Okay? But once that investment is in place, aren't you going to try and market just as hard as you can to those customers to try and get their voice phone service?

A Certainly we would want to sell service. But on the flip side, Nocatee has every incentive to only push Comcast service because for every subscriber that they get on Comcast service they get a percentage of that. So, yes, while we will be marketing and trying to do our providing of service, from the moment that the home buyer walks in the door to the moment that they close Nocatee will be providing the material, talking to them about the service and really pushing that service on them because they have a financial interest in it.

So, yes, while we may be advertising and trying to provide service, that's -- from a homeowner's perspective they will also be very much immersed in hearing about Comcast's service because of Nocatee's agreement.

Q Okay. But there's nothing to stop you from marketing to them on your own; correct?

A Correct, in the context of normal marketing.

Q Okay. But, but you could, if you wanted to, you

could choose to direct market to these private community neighborhoods; correct?

A We could. I mean, we know a little bit about buying behavior. We know that consumers typically like to purchase -- I mean, they like the bundles, they like the one bill. So obviously that's something that we'd be up against. And even if they choose our service, you know, there's other features of Comcast's service that they advertise such as the web-based voice mail that kind of interacts with the broadband that they provide and things like that. So that would be something that a consumer would have to decide to forego.

Q And there's certainly nothing to stop you if, say, for example, hypothetically you were to achieve a 50 percent penetration for your voice service in these neighborhoods. Is there anything that you're aware of that would stop you from going to Nocatee and saying, hey, look, we're achieving a lot of success here of our voice product? Give us the opportunity to enter into an agreement with you for marketing or whatever, lift, in other words, lift the restrictions on us for the video and data; is there anything that would stop you from doing that?

A There's nothing that would stop us from asking for that. There would be an easement in place that would have to change per my understanding and there would also be an agreement with Comcast that would then remove their financial

incentive that they'd had in place.

I mean, I guess all of this speculation, you know, it's interesting, but from my perspective and from a business perspective it's almost like we're speculating about things that could or couldn't happen.

I think that the developer in this case has shown their preference by choosing Comcast, by entering into a financial agreement whereby they get both door fees and the recurring revenue. So it seems to me that the developer has made a well thought through decision that they feel fairly confident in. And I don't think, and I'm not in the business unit, I'm in regulatory planning and policy, but I think if I were in the business unit, I'd have a hard time convincing myself that that's going to be a likely situation to change.

Q But that's not your job; correct?

A Correct.

Q Okay.

A But the people who have that job feel the same way.

Q Have you talked with them about that?

A Yes. I mean, we've talked about it in the context, as Mr. Wiggins asked, about, you know, deploying or not deploying and what we should do in this situation.

Q Have you evaluated different scenarios at which point you might seek to renegotiate with Nocatee?

A We have talked about it in hypothetics. We have not

entered into any type of matrix or model that would outline that.

MR. SELF: Okay. Thank you, Madam Chairman. Thank you, Ms. Shiroishi.

THE WITNESS: Thank you.

CHAIRMAN EDGAR: Thank you.

Mr. Meza, do you have questions on redirect?

MR. MEZA: No, ma'am.

CHAIRMAN EDGAR: Okay. Let's go ahead and take up the exhibits. Oh, I am so sorry. I was on a roll there. I apologize, Commissioners. Before we take up the exhibits and while we still have the witness with us, are there questions from Commissioners to this witness?

Commissioner Carter.

COMMISSIONER CARTER: Madam Chairman, if I could, before we begin questioning, maybe get a feel for where we are. Because, you know, I've got a few questions and I wouldn't -- I mean, since they're done, it may be an appropriate time to take a break and we can come back and ask our questions, because I have about ten.

CHAIRMAN EDGAR: Okay. We have questions from Commissioners and then we have closing statements, and after, of course, we take up the exhibits. And if it is the will of the members to take a lunch break, we can certainly do that. If the will is to push through, we can do that as well. So,

Commissioners, what is your pleasure?

COMMISSIONER CARTER: I say we take a break and come back.

CHAIRMAN EDGAR: Commissioners? Okay. I see hunger in the eyes.

(Laughter.)

COMMISSIONER ARGENZIANO: I'd like to go on.

CHAIRMAN EDGAR: I understand. And I always kind of like to push through, but, you know, we try to avoid overly low blood sugar so we are all thinking clearly.

We will take a break. Do you want to come back 1:30, Commissioners? Does that give sufficient time to the parties, to the witness? Okay. We will go on lunch break. We will come back at 1:30, at which point we will ask the witness to come back to her place, be available for questions from Commissioners and then move to closing statements. Thank you.

(Recess taken.)

Welcome back. We will go back on the record after lunch break. And before we went to lunch we were at the point where we were going to give the opportunity for Commissioners to ask questions.

Commissioner Carter, you're recognized.

COMMISSIONER CARTER: Thank you, Madam Chairman, and I'll try to be brief.

In your discourse in the questions that you were

asked about providing the service both to the public areas and the private areas, and I think from, from your responses and from the line of questioning it would say that if the COLR requirement were not waived, you'd still have to provide the services and they would be borne, in essence those in the public areas would be subsidizing the cost to those in the private areas; is that correct? I mean, because, and I'm speechifying now, because it seems to me that however you slice it and dice it, someone has got to pay for this.

THE WITNESS: Yeah, I think that's correct. And, I mean, we obviously don't look at it in quite as small a microcosm. So it's not like we look at just the public versus private. But certainly if we have to use that investment to provision service in the private, then other residents in Florida are not going to get the benefit of services we would deploy with that money had it not been used in that private area. So, again, I'm not -- you know, it's not like we would say, well, these public areas of Nocatee are directly with the private areas of Nocatee. But certainly if we have to expend the $2 million to provide service in the private areas, that's $2 million that we're not going to be able to spend somewhere else.

COMMISSIONER CARTER: Madam Chairman.

CHAIRMAN EDGAR: Yes.

COMMISSIONER CARTER: Somewhere or another someone

has to pay the $2 million, and that would probably be the ratepayers; correct?

THE WITNESS: Certainly -- I mean, there's not a clean answer to that because I think a lot of it will depend on what happens with the line extension rule and whether the developer pays anything or not. But, yeah, at the end of the day somebody has to pay.

COMMISSIONER CARTER: So generally, Madam Chairman, so generally either, either a developer will pay for the service or you would recapture, would recapture it through the tariff?

THE WITNESS: Correct.

COMMISSIONER CARTER: And that's assuming that the -- well, let me move on a little further.

The, the cost to install the fiber optics are necessarily legitimate; correct? That's the reason you're going down this road by using fiber optics; right?

THE WITNESS: Correct. The fiber option was the cheapest option for this development.

COMMISSIONER CARTER: Okay. And so the cost of this is based upon that it's the, it's the cheapest option.

THE WITNESS: Correct.

COMMISSIONER CARTER: That's why you chose it; correct?

THE WITNESS: Correct. And, again, Mr. Bishop is the

cost expert.

COMMISSIONER CARTER: Yes.

THE WITNESS: But, yes, I mean, he said that clearly and that is correct.

COMMISSIONER CARTER: Okay. And now you also talked about the fact that there's a permanent easement, so it's not so easy for you to shift gears if later on the numbers turn out to be different than what they are.

THE WITNESS: Right.

COMMISSIONER CARTER: I mean, I think you said in perpetuity, but that would be technically a permanent easement that would only allow you to offer voice service.

THE WITNESS: Correct. My understanding is the easement that's been granted is an easement that lives with the land. So it moves from the developer, and then I guess over time if they turn that over to a homeowners association or something like that, they would manage it. But the easement that we've been, that they've offered to us is an easement that goes with the land.

COMMISSIONER CARTER: And I would presume that that's why you were saying that you believe in nonexclusive agreements. If there were a nonexclusive agreement, then we wouldn't be here; right?

THE WITNESS: Correct. I mean, if we were able to offer all of our services in this area, then certainly we would

not be here.

COMMISSIONER CARTER: Okay. Madam Chairman, if I could be permitted. You have before you the statute, 364.04. I think you went on ad nauseam -- we went on ad nauseam about (6), that whole section there. And I think in (6)(b) you talked about those four. Could you back up for a moment to (6)(a)?

THE WITNESS: Give me just a second, if you don't mind.

COMMISSIONER CARTER: Sure.

THE WITNESS: Okay. I'm there.

COMMISSIONER CARTER: In (6)(A), you see that (6)(a)(1) is a definition of what an owner/developer is; correct?

THE WITNESS: Correct.

COMMISSIONER CARTER: (6)(a)(2) is, tells us what a communication service provider is. Would you agree with that?

THE WITNESS: Yes.

COMMISSIONER CARTER: Help me understand your understanding of (6)(a)(3) which defines communication service.

THE WITNESS: For purposes of the statute, this references communication service, and it says it means "voice service or voice replacement service through the use of any technology."

So I think in this case it would be obviously

traditional landline that BellSouth or AT&T has provided. Because it references "through the use of any technology," that would also include Voice over IP which is a voice service, it would include wireless which is a replacement service. So any product that provides voice and is deemed to be a voice replacement or a voice service.

COMMISSIONER CARTER: And that's, Madam Chairman, and that's why you were talking about the perspective in terms of the fixed voice which Comcast would use versus the open system that Vonage uses; right? And that's why you're saying that the type of fixed voice that Comcast uses would fit within this definition?

THE WITNESS: Yes, definitely it would fit within this definition. And I think other services too. I'm not sure that the Vonage would be precluded, but definitely the Comcast fixed VoIP product would be included in this definition.

COMMISSIONER CARTER: Madam Chairman, give me one second here. Let me see here.

CHAIRMAN EDGAR: Sure.

COMMISSIONER CARTER: I think when you first started off you were talking about the fact that Nocatee will get paid by Comcast.

THE WITNESS: Correct. That's our understanding from the documents they provided in this case.

COMMISSIONER CARTER: And I'll end with where I

began, is that somebody has got to pay; right?

THE WITNESS: I would agree. Yes.

COMMISSIONER CARTER: Someone has got to pay.

THE WITNESS: Right.

COMMISSIONER CARTER: And I'm concerned that, you know -- well, nobody rides for free. I'm concerned about that and that's why I went down this line of questioning because, is that if, if the COLR requirement is in place under the circumstances in this case based upon your testimony and the response to questioning today is that the process is such to where you would have to build out 100 percent, notwithstanding what percentage that you may get in terms of the capture perspective, but you would still have $2 million invested that will have to be captured from somewhere, and that somewhere to me would be the, the ratepayers, those with service. That's the way I see it. I mean, I don't see it coming in from anywhere else.

THE WITNESS: Right. And, again, I mean, there's a lot of variables that play here. But certainly, you know, the investment that we make if we have to put it in a private, these private developments, even though there's already a voice service available and the statute recognizes both traditional voice and voice replacement services, then that would be money that would not be able to be used in another area to deploy service.

COMMISSIONER CARTER: Madam Chairman, I think that's my tenth question. Thank you.

CHAIRMAN EDGAR: Okay. Thank you.

Commissioner McMurrian.

COMMISSIONER McMURRIAN: Thank you. I have about that many as well, I think. Maybe I can do one more to top you.

Actually Commissioner Carter asked similar questions to some I had here, but I'll start on a different track. If it's true that you haven't collected CIAC from developers in the past, I think there was a line of questioning related to that, what import does that have in this case?

THE WITNESS: I mean, personally I don't think it has much of importance. This is a new scenario where developers are, again, I keep saying this, but I think for me it's the easiest way to think of it, acting in the shoes of consumers. That's not been a practice that's been around for that long.

And then certainly after the statute was passed and we had these avenues to come to the Commission and discuss these situations for potential relief, pursuant to, I think it was a March order where that was referenced that that would be an avenue, that's when we started really looking at that potential opportunity as a way to deal with the situation.

COMMISSIONER McMURRIAN: Okay. Thank you. Can you also tell me, I'm assuming the contracts are, are actually in

the record somewhere, but can you tell me when the contracts between Nocatee and Comcast expire? I know there would be different agreements there, but maybe a separate answer for the exclusive marketing agreement and then the video and data agreement that gives them exclusive authority for that.

THE WITNESS: Certainly. And I don't have them in front of me, but my recollection is for the, for the agreement that provides for the door fee and the recurring, percentage of recurring revenues, that contract is a 15-year term. I'm not certain if the marketing is co, if they're coterminus or not. I don't have those in front of me. But I do recall that it's 15 years for the door fees and recurring revenues.

COMMISSIONER McMURRIAN: At the end of that 15-year period, would you then have the opportunity to try to negotiate a contract like that for your company?

THE WITNESS: Again, we would have to deal with the easement restriction. Because in addition to coming up with an agreement, we would have an easement that would restrict us. So I'm assuming, yes, that that would be a possibility we could negotiate both. But my, and, again, I'm not a lawyer, but my understanding of changing an easement perhaps could be difficult at that point. If the, if Nocatee had turned that over to a homeowners association, then it would be the owners of the homes that you would have to deal with as opposed to one entity.

COMMISSIONER McMURRIAN: But in any case, it would be 15 years, at least on the video and data agreement it would be 15 years before that opportunity presents itself.

THE WITNESS: Correct. And, again, that's the term of that contract. And I believe that it also has auto renewal provisions that allow it to go on if both parties desire.

COMMISSIONER McMURRIAN: Okay. Can you refresh me about what you said about the difference between over-the-top VoIP and fixed VoIP? I know Commissioner Carter asked you about some of this, but I have some other questions too, and I'll try not to repeat the same questions.

THE WITNESS: Sure. Over -- and these are my terms. I mean, different people use different terms. But over-the-top VoIP is more of a bring-your-own broadband type application. So as long as you have a broadband connection, you can log into a website that would then allow you through that to access your VoIP provider. So that would be a Vonage type application. Skype is the same way. And CallVantage, an AT&T product, is the same way as well. So that does not -- there's really no network tie-in is a kind of simplistic way to think about it. The product just rides over the top of the broadband. You can access it from anywhere as long as you have a broadband connection.

On the other hand, what I'm calling fixed VoIP typically is still an IP protocol, but it rides over the

network and it actually is more integrated into the network so that there are features and functionalities that work with the network. So that you can't just be on, you know, vacation in California and log in on over any broadband connection. You actually need to be at your home with your network providing the broadband and the IP.

COMMISSIONER McMURRIAN: And I think you said that you believe Comcast is a fixed VoIP type out of the two that you've described.

THE WITNESS: Correct. And, in fact, if you go to Comcast's website, they talk a little bit about this in terms of the security concerns and 911 and alarm monitoring and all of those things. And they say, and I'm paraphrasing, but, you know, it's all the, all the things you've come to expect plus more. So it's -- that's from their website and their advertising, and I don't have it in front of me.

But then they talk about in the context of alarm monitoring or other things, that, you know, this is not an over-the-top VoIP product which might not work with your alarm monitoring system or whatever. This is a network-based solution.

COMMISSIONER McMURRIAN: Okay. Do you know whether developments have had difficult experiences with contracts with over-the-top VoIP providers in the past?

THE WITNESS: I am not aware of a developer really

entering into those type of agreements because, again, an over-the-top application would just be available to anyone and it's not really tied to geography.

COMMISSIONER McMURRIAN: Okay. This probably -- that probably made this question moot but I'll go ahead and ask it anyway, and probably inartful. Do you think that good cause might depend on whether the alternative provider that contracted with the development was a fixed VoIP or an over-the-top VoIP provider? Do you think it would make any difference in determining whether good cause had been shown over what type of VoIP provider was involved?

THE WITNESS: Yeah. I'm pondering. I'm thinking about it. I think the difficulty is when you look at the statute, you know, it references based on the facts and circumstances of provision of service. And I clearly think the statute recognizes that it doesn't have to be traditional landline ILEC-based or LEC-based service.

I think, you know, that the Commission is given discretion to look at those facts and circumstances of provision of service, and that certainly might be an area that the Commission looks at.

But, again, in the case of a fixed VoIP where the product is the same, and I think that it's evidenced by the fact that the statute recognizes not just traditional voice service but voice replacement services, that there's clearly a

contemplation that it's broader than just, you know, traditional landline. But, again, that could be something that might fall into the facts and circumstances.

COMMISSIONER McMURRIAN: So I guess to follow up on that, you think Comcast as a fixed VoIP provider as you've described it -- let me back up.

As the statute says voice or voice replacement service, as Commissioner Carter pointed out, you believe that Comcast or other providers such as Skype and Vonage that might be over the top, they would, they would meet that definition as voice or voice replacement in your nonlawyer opinion.

THE WITNESS: Yeah. I mean, I think that the things that the Commission would need to look at is, you know, does it, again, provide -- is it a replacement service? Is it a service that someone might use in place of a traditional landline. And there's some over-the-top VoIP applications that I don't think are intended to be used that way. They're intended for perhaps just international calling or perhaps -- you know, Xbox Live is a great example that everybody always likes to talk about where you can be playing an Xbox game and you can instantly talk to someone else who's playing. You know, I wouldn't think that that's actually a voice replacement. That's another application that is VoIP. It allows people to communicate but it really doesn't replace the service.

But I, you know, I don't think, I don't think you can say all over the top is not a voice replacement and all fixed is. I think it really probably depends on the product. Because a lot of over-the-top VoIP applications are very robust, comply with 911 per the FCC order, and really do, a lot of people use those as voice replacement services. I mean, I personally can, you know, say I have three friends who have given up their landline in favor of Vonage. So, I mean, I think the market is saying that is a voice replacement service in certain instances.

COMMISSIONER McMURRIAN: Okay. I guess this is probably about it. Do you, do you think it is more persuasive when, in determining good cause that it's more persuasive when you're dealing with a fixed VoIP provider as the alternative provider such as in this case?

THE WITNESS: I think from a concern about some of the things that people traditionally, you know, voice, 911, power backup and all these things, I think it probably among the continuum does say, yeah, it's a little easier to say that's clearly a voice replacement service.

COMMISSIONER McMURRIAN: Okay. I did have one other question, Chairman. I think this is it.

There was some discussion about if you came into a neighborhood and served after the fact, I guess after the development had been put in place and that there might be

issues, perhaps digging up driveways to serve and that sort of thing, do you think that that would affect the penetration rate for service, the take rate of your service?

THE WITNESS: Yeah. I mean, I definitely think that's going to be on a consumer's mind. I mean, again, it's going to depend on how much you care about that kind of stuff. But typically people don't like the inconvenience of having their driveway dug up or the sidewalks in front of their house and their flower gardens. And, yes, I think that could affect it because it is a very labor-intensive process after the fact, after all the landscaping and hardscaping has been done to come in.

COMMISSIONER McMURRIAN: Thank you, Ms. Shiroishi. Thank you, Chairman.

CHAIRMAN EDGAR: Commissioner Skop, questions.

COMMISSIONER SKOP: Thank you, Madam Chair. I'll make this really brief.

With respect to the existing agreement that I guess the developer has entered into with Comcast, that's strictly for data and broadband service; correct? That does not include voice to your --

THE WITNESS: It does include voice.

COMMISSIONER SKOP: Okay.

THE WITNESS: Yeah. I mean, it's a little bit hard to think about because really it's the combination of our

easement and their agreement that gets us to this situation. But their agreement provides door fees and recurring revenues based on a percentage of service, the penetration rate that they see for all three services, and the agreement references that.

On the marketing side they also have an exclusive marketing agreement for all three services including voice. The exclusive easement is just where the voice piece is different and that's where we're excluded from providing voice but not data and video -- I'm sorry -- excluded from providing data and video but not voice.

COMMISSIONER SKOP: Okay. And as a follow-up, getting back to a question that Commissioner Carter asked, looking at the statute 364.025(6)(a)(2), if you have that in front of you, where it defines communication service provider.

THE WITNESS: Uh-huh.

COMMISSIONER SKOP: Would it be your opinion that if Comcast were providing voice, would it fall into that definition?

THE WITNESS: Yes, I believe that's true. I mean, it says, "Any person or entity providing communication services." And communication service is defined as "voice service or voice replacement service."

COMMISSIONER SKOP: And looking at (6)(b), Item 2, where it speaks about the four exceptions that are pretty much

automatic, where it says, accepts or agrees to accept incentives or rewards from a communication service provider, they're contingent upon provision of any or all communication services. Would you feel that that would, given the fact that the, the voice provider would fall into that definition, would that give any latitude towards the automatic exemption or do you feel that it needs to fall into a good cause analysis?

THE WITNESS: Yeah. I think the difficulty here is that the communication service strictly references voice. And since the, and since technically what Comcast is arguing is that they are agreeing to receive incentives but not to the exclusion of the local exchange telecommunications company, which would be AT&T, that that's why it's not an automatic. So I think in order for it to be automatic we would have to be excluded from voice as well.

COMMISSIONER SKOP: Okay. Thank you.

CHAIRMAN EDGAR: Commissioners, any further questions? No? None at this time.

Okay. Mr. Meza, I know you said no redirect before, but since there have been questions since I'll pose the question again. Any redirect?

MR. MEZA: No, ma'am.

CHAIRMAN EDGAR: Okay. Let's go ahead and take up the exhibits.

COMMISSIONER SKOP: Madam Chair.

CHAIRMAN EDGAR: Commissioner Skop.

COMMISSIONER SKOP: I do have a question for counsel.

CHAIRMAN EDGAR: Okay. Let me go ahead and dispose of the exhibits and then I will come back to you, if that will work.

Okay. Let's take up, I think it's 13 and 14. Is that right?

MR. MEZA: Yes, ma'am. At this time I would ask that Ms. Shiroishi's direct testimony exhibits be entered into the record.

CHAIRMAN EDGAR: Okay. Seeing no objection, we will go ahead and enter Exhibits 13 and 14 into the record.

(Exhibits 13 and 14 marked for identification and admitted into the record.)

And then, Mr. Wiggins, you had 29 through 31.

MR. WIGGINS: Yes, ma'am. I ask that they be entered into the record.

CHAIRMAN EDGAR: Okay. And seeing no objection, we will enter Exhibits 29, 30 and 31 into the record.

(Exhibits 29, 30 and 31 admitted into the record.)

Thank you. And the witness is excused. Thank you.

Commissioner Skop.

COMMISSIONER SKOP: Thank you, Madam Chair.

Two quick questions, first directed to Mr. Wiggins. With respect to, and I know that counsel on numerous times

today has opened the door into a separate and related proceeding related to Avalon, but can you distinguish in this case, contrary to Avalon, whether Comcast has filed its agreements with staff regarding the terms and nature of the exclusivity of the, of the agreements and such?

MR. WIGGINS: Okay. If I understand you correctly, in this case, other than deciding for its own reasons not to sponsor a witness, I believe that Nocatee has been entirely cooperative.

COMMISSIONER SKOP: But more specifically have they filed the agreement?

MR. WIGGINS: They provided us everything we asked them for under cover of confidentiality and the like.

COMMISSIONER SKOP: Including the agreement between Nocatee and Comcast?

MR. WIGGINS: Yes, sir. Let me make sure of that. We have three, three -- yes. Yes. I've just -- there's so many agreements, but, yes. Yes, sir.

COMMISSIONER SKOP: Okay. Thank you.

And then my second question would be related to Mr. Self. I know that this is definitely an issue of first impression before the Commission. I'm duly respectful of that. I'm equally respectful that there is no obligation on your part to proffer a witness, and I don't want to make you a witness as the attorney. So in that regard, I guess what I would like to

see either in a late-filed document or in your posthearing brief, because this has been basically a one-sided argument and I kind of question whether counsel would have made a well-developed discussion had you proffered a witness on both sides of the equation, but, in any event, with respect to your posthearing brief or late-filed document can you clearly articulate for this Commission why we should not entertain waiver of the carrier of last resort under a good cause showing? And that's what I would --

MR. SELF: Commissioner, it's my opinion that that's what we will do in our posthearing brief.

COMMISSIONER SKOP: Thank you.

CHAIRMAN EDGAR: Commissioners, anything further before we move into closing arguments? Seeing none.

Mr. Meza, you have four minutes.

MR. MEZA: Yes, ma'am. And if I can have your indulgence, as the petitioner in this case I believe in closing that I would have the opportunity to open and close. So, if possible, I would like to use two minutes to briefly give you a quick closing and, if necessary, after Mr. Self goes to close the hearing out with some final comments.

CHAIRMAN EDGAR: That's fine.

MR. MEZA: Thank you. And thank you, Commissioners, for your indulgence today. We really do appreciate the opportunity to get before you and educate you on what we

believe to be very important issues.

And just very briefly, I think that what you've heard today is entirely consistent with our position throughout this case. You have a power under 364.025(6)(d) to grant a waiver of COLR upon the finding of good cause. And I believe that everything that you've heard today supports a finding that good cause exists in this case. There's no dispute that we're restricted to voice services only, there is no dispute that Comcast is providing financial incentives to the developer in terms of door fees and a percentage of recurring revenues, and there's no dispute that the developer has every economic incentive to push people to Comcast's voice service. Also, there's no dispute, at least in my mind, that residents of the two private communities will have the ability to obtain voice services from Comcast or other providers including Vonage or wireless carriers.

Given all of those circumstances, I believe that all of the basis necessary to establish good cause has been established, and we ask your indulgence and grant us this petition. It will go a long way in allowing us to negotiate with developers and also letting us understand what the rules of the game will be regarding this important issue. Thank you.

CHAIRMAN EDGAR: Thank you.

Mr. Self, you have approximately five minutes.

MR. SELF: And I won't take anywhere near that.

Commissioners, you've certainly heard a story today, but it's only part of the story. And, Commissioner Skop, I appreciate your asking me the question. A lot of our arguments are really more legal arguments and not really appropriate for testimony. And I know we've had a lot of questions, myself included, that have kind of asked for professional lay opinions about statutes. But a lot of what we have is really a legal argument and we'll certainly address that in our posthearing brief.

You know, the bottom line here is the fundamental question of whether or not ultimately 6,000 homes in the private communities in Nocatee are going to have phone service from AT&T or not. And as we present our posthearing brief I think we'll explain to you why a waiver is not appropriate in this case. Thank you.

CHAIRMAN EDGAR: Thank you, Mr. Self.

Mr. Meza.

MR. MEZA: Nothing further.

CHAIRMAN EDGAR: Nothing further.

Okay. Are there any additional matters before we close the hearing?

MR. WIGGINS: Yes, ma'am, one. Just since briefs have been mentioned, I've already mentioned this to counsel, but the term "good cause" is in the statute and I've asked that they brief any legal authority they have for what that means.

It's used throughout the statute and I thought it might be useful to, to informing the Commission when it comes time to make its decision.

CHAIRMAN EDGAR: Okay. Thank you. Any other comments for the good of the order while we are all gathered here together?

Okay. I have before me the transcript to be available July 31st, briefs due August 7th. Currently scheduled for Agenda Conference September 11th.

Okay. Then thank you to our staff, to the parties, to the witnesses, to my colleagues, and this hearing is adjourned.

(Hearing adjourned at 2:03 p.m.)

STATE OF FLORIDA)
: CERTIFICATE OF REPORTER
COUNTY OF LEON)

I, LINDA BOLES, RPR, CRR, Official Commission Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorneys or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 30th day of July, 2007.

Linda Boles

LINDA BOLES, RPR, CRR
FPSC Official Commission Reporter
(850) 413-6734

EXHIBIT NO._____

DOCKET NO.: 060822-TL

WITNESS: N/A

PARTY: Staff

DESCRIPTION:

Comprehensive Exhibit List

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060822-TL **EXHIBIT** 1
COMPANY FL PSC Staff
WITNESS Stip-1
DATE 07/24/07

PROFFERING PARTY: Staff

I.D. No. STIP-1

EXHIBIT LIST

Docket No. 060822-TL
Hearing Date: July 24, 2007
Commissioners: ALL

EXH No.	WITNESS or Proffering Party)	PREVIOUS ID	DESCRIPTION	Identified	Moved into Evidence
1	N/A	Stip-1	Comprehensive Exhibit List		YES (STIP)
2	N/A	Stip-2	Composite of AT&T Florida's Responses to Staff Discovery and Data Request a. AT&T Florida's Responses to Staff's First Data Request No. BS-1; b. AT&T Florida's Amended REDACTED Response to Staff Data Request BS-1 (No. 7); c. AT&T Florida's Responses to Staff's First Set of Interrogatories (Nos. 1–23) and First Request for Production of Documents (Nos. 1-18); d. AT&T Florida's Responses to Staff's Second Set of Interrogatories (Nos. 24-31) and Second Request for Production of Documents (Nos. 19-23); e. AT&T Florida's Supplemental Responses to Staff's Second Set of Interrogatories (No. 25) and Second Request for Production of Documents (Nos. 19 and 23); f. AT&T Florida's Responses to Staff's Third Set of Interrogatories (Nos. 32-34);		YES (STIP)
3	N/A	Stip-3 CONFIDENTIAL	Composite of AT&T Florida's CONFIDENTIAL Responses to Staff Discovery and Data Request a. AT&T Florida's CONFIDENTIAL Responses to Staff Data Request BS-1 (Nos. 1, 5, and 7), DN 01382-07; b. AT&T Florida's CONFIDENTIAL Amended Response to Staff Data Request BS-1 (No. 7), DN 05739-07;		YES (STIP)

000001

EXH No.	WITNESS or Proffering Party)	PREVIOUS ID	DESCRIPTION	Identified	Moved into Evidence
			c. AT&T Florida's CONFIDENTIAL Responses to Staff's First Set of Interrogatories (Nos. 18) and First Request for Production of Documents (Nos. 3, 4, 5, 6, 7, 13, 14, 16, and 17), DN 05095-07, *DOCUMENTS CONTAINED ON A CD*; d. AT&T Florida's CONFIDENTIAL Responses to Staff's Second Set of Interrogatories (No. 31), DN 05741-07; e. AT&T Florida's CONFIDENTIAL Supplemental Responses to Staff's Second Set of Interrogatories (No. 25) and Second Request for Production of Documents (Nos. 19-23), DN 05838-07.		
4	N/A	Stip-4	Composite of Nocatee's Responses to Staff Discovery and Data Request a. Nocatee's Responses to Staff's First Data Request NOC-1; b. Nocatee's Responses to Staff's First Request for Production of Documents (Nos. 1-4).		YES (STIP)
5	N/A	Stip-5 CONFIDENTIAL	Nocatee's CONFIDENTIAL Responses to Staff's First Data Request NOC-1, DN 01521-07 & DN 01874-07.		YES (STIP)
6	N/A	Stip-6	Composite of Nocatee's Responses to AT&T Florida Discovery a. Nocatee's Responses to AT&T Florida's First Request for Production of Documents (Nos. 1-2); b. Nocatee's Responses to AT&T Florida's First Request for Admissions (Nos. 1-20) and Second Request for Production of Documents (Nos. 3-10); c. Nocatee's Responses to AT&T Florida's First Set of Interrogatories (Nos. 1-13), Second Request for Admissions (Nos. 21-29) and Third Request for Production of Documents (Nos. 11-15); d. Nocatee's Response to AT&T Florida's July 10, 2007 Request for Clarification and Objections.		YES (STIP)

EXH No.	WITNESS or Proffering Party)	PREVIOUS ID	DESCRIPTION	Identified	Moved into Evidence
7	N/A	Stip-7 CONFIDENTIAL	Composite of Nocatee's CONFIDENTIAL Responses to AT&T Florida's Discovery a. Nocatee's CONFIDENTIAL Responses to AT&T Florida's First Request for Production of Documents (Nos. 1-2); b. Nocatee's CONFIDENTIAL Supplemental Response to AT&T Florida's Second Request for Production of Documents (No. 10).		YES (STIP)
8	N/A	Stip-8	Composite of AT&T Florida's Responses to Nocatee Discovery a. AT&T Florida's Response to Nocatee's First Request for Production of Documents (Nos. 1-2); b. AT&T Florida's Responses to Nocatee's First Set of Interrogatories (Nos. 1-11) and Second Request for Production of Documents (Nos. 3-4).		YES (STIP)
9	N/A	Stip-9 CONFIDENTIAL	Composite of AT&T Florida's CONFIDENTIAL Responses to Nocatee's Discovery a. AT&T Florida's CONFIDENTIAL Responses to Nocatee's First Request for Production of Documents, Item Nos. 1, 5, and 7. DN 05238-07; b. AT&T Florida's CONFIDENTIAL Responses to Nocatee's First Set of Interrogatories (No. 3) and Second Request for Production of Documents (Nos. 3-4), DN 05964-07; c. AT&T Florida's CONFIDENTIAL Supplemental Responses to Nocatee's Second Request for Production of Documents (No. 4), DN 06156-07.		YES (STIP)
10	N/A	Stip-10	Transcript of the Telephone Deposition of AT&T Florida Witness Larry Bishop on July 12, 2007		YES (STIP)
11	N/A	Stip-11	Nocatee's Supplemental Response to AT&T Florida's Second Request for Production of Documents (No. 10).		YES (STIP)
Note: Exhibits 1-11 are to be moved into the record as stipulated exhibits as a preliminary matter.					
12	N/A		Transcript of the Telephone Deposition of Richard T. Ray (Nocatee) on July 10, 2007		
13	AT&T Florida/ Elizabeth R.A. Shirioshi	ERAS-1	Comcast Website Page		

EXH No.	WITNESS or Proffering Party)	PREVIOUS ID	DESCRIPTION	Identified	Moved into Evidence
14	AT&T Florida/ Elizabeth R.A. Shirioshi	ERAS-2	AT&T Florida's A5 Tariff – Charges Applicable Under Special Construction		
15	AT&T Florida/ Larry Bishop	LB-1	Drawing of Nocatee Development		
16	AT&T Florida/ Larry Bishop	LB-2	September 25, 2006, correspondence from Developer to AT&T Florida		
17	AT&T Florida/ Larry Bishop	LB-3	September 25, 2006 correspondence from Developer's counsel to AT&T Florida		
18	AT&T Florida/ Larry Bishop	LB-4	September 26, 2006 correspondence from Developer's counsel to AT&T Florida		
19	AT&T Florida/ Larry Bishop	LB-5	September 28, 2006 correspondence from Developer's counsel to AT&T Florida		
20	AT&T Florida/ Larry Bishop	LB-6	December 13, 2006 correspondence and proposed easement from Developer's counsel to AT&T Florida		
21	AT&T Florida/ Larry Bishop	LB-7	January 3, 2007 correspondence from AT&T Florida to Developer		
22	AT&T Florida/ Larry Bishop	LB-8	January 23, 2006 correspondence from Developer's counsel to AT&T Florida		
23	AT&T Florida/ Larry Bishop	LB-9	Diagram of fiber-to-the-curb architecture		
24	AT&T Florida/ Larry Bishop	LB-10	Projected costs for each phase of Riverwood and Coastal Oaks CONFIDENTIAL		
25	AT&T Florida/ Larry Bishop	LB-11	Diagrams of planned build-out of Riverwood and Coastal Oaks		
26	AT&T Florida/ Larry Bishop	LB-12	Estimated build-out costs for Riverwood (Areas 1-4) and Coastal Oaks (1 & 2a) CONFIDENTIAL		
27	AT&T Florida/ Larry Bishop	LB-13	May 8, 2007 correspondence from AT&T Florida to Developer CONFIDENTIAL		
28	AT&T Florida/ Larry Bishop	LB-14	AT&T Florida's five year exchange revenue calculations CONFIDENTIAL		
29					
30					
31					
32					

EXH No.	WITNESS or Proffering Party)	PREVIOUS ID	DESCRIPTION	Identified	Moved into Evidence
33					
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EXHIBITS

NUMBER:		ID.	ADMTD.
1	Stip-1	7	7
2	Stip-2	7	7
3	(Confidential) Stip-3	7	7
4	Stip-4	7	7
5	(Confidential) Stip-5	7	7
6	Stip-6	7	7
7	(Confidential) Stip-7	7	7
8	Stip-8	7	7
9	(Confidential) Stip-9	7	7
10	Stip-10	7	7
11	Stip-11	7	7
12	7/10/07 depo transcript of Richard Ray	9	9
13	ERAS-1	161	161
14	ERAS-2	161	161
15	LB-1	19	59
16	LB-2	19	59
17	LB-3	19	59
18	LB-4	19	59
19	LB-5	19	59
20	LB-6	19	59
21	LB-7	19	59
22	LB-8	19	59
23	LB-9	19	59

EXHIBITS

NUMBER:		ID.	ADMTD.
24	LB-10	19	59
25	LB-11	19	59
26	LB-12	19	59
27	LB-13	19	59
28	LB-14	19	59
29	AT&T's Response to Staff's Second Request for Interrogatories, No. 28	89	161
30	Staff's First Set of Interrogatories No. 16	94	161
31	Staff's Second Request for Interrogatories, No. 31	94	161

EXHIBIT NO._____

DOCKET NO.: 060822-TL

WITNESS: N/A

PARTY: Staff

DESCRIPTION:

Composite of AT&T Florida's Responses to Staff Discovery and Data Requests

a. AT&T Florida's Responses to Staff's First Data Request No. BS-1;

b. AT&T Florida's Amended REDACTED Response to Staff Data Request BS-1 (No. 7);

c. AT&T Florida's Responses to Staff's First Set of Interrogatories (Nos. 1–23) and First Request for Production of Documents (Nos. 1-18);

d. AT&T Florida's Responses to Staff's Second Set of Interrogatories (Nos. 24-31) and Second Request for Production of Documents (Nos. 19-23);

e. AT&T Florida's Supplemental Responses to Staff's Second Set of Interrogatories (No. 25) and Second Request for Production of Documents (Nos. 19 and 23).

f. AT&T Florida's Responses to Staff's Third Set of Interrogatories (Nos. 32-34);

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060822-TL EXHIBIT 2
COMPANY FL PSC Staff
WITNESS Stip-2
DATE 07-24-07

PROFFERING PARTY: Staff

I.D. No. STIP-2

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of BellSouth for Relief from Carrier-of-Last-Resort Obligations Pursuant To Florida Statutes §364.025(6)(d)	)))	Docket No: 060822-TL Filed: February 9, 2007

AT&T FLORIDA'S RESPONSES AND OBJECTIONS TO STAFF'S FIRST DATA REQUEST NO. BS-1

BellSouth Telecommunications, Inc. d/b/a AT&T Florida ("AT&T Florida"), pursuant to Rule 25-22.034, Florida Administrative Code, and Rules 1.280 and 1.340, Florida Rules of Civil Procedure, files its Responses and Objections to Florida Public Commission Staff's (hereinafter "Staff") First Data Request No. BS-1, dated January 29, 2007.

GENERAL OBJECTIONS

AT&T Florida makes the following General Objections to Staff's First Data Requests.

1. AT&T Florida objects to the requests to the extent they seek to impose an obligation on AT&T Florida to respond on behalf of subsidiaries, affiliates, or other persons that are not parties to this case on the grounds that such requests are overly broad, unduly burdensome, oppressive, and not permitted by applicable discovery rules.

2. AT&T Florida objects to the data requests to the extent they are intended to apply to matters other than Florida intrastate operations subject to the jurisdiction of the Commission. AT&T Florida objects to such requests as being irrelevant, overly broad, unduly burdensome, and oppressive.

3. AT&T Florida objects to each and every request to the extent that such request calls for information which is exempt from discovery by virtue of the attorney-client privilege, work product privilege, or other applicable privilege.

4. AT&T Florida objects to each and every request insofar as the requests are vague, ambiguous, overly broad, imprecise, or utilizes terms that are subject to multiple interpretations but are not properly defined or explained for purposes of these requests. Any answers provided by AT&T Florida in response to the requests will be provided subject to, and without waiver of, the foregoing objection.

5. AT&T Florida objects to each and every data request insofar as it is not reasonably calculated to lead to the discovery of admissible evidence and is not relevant to the subject matter of this action. AT&T Florida will attempt to note in its responses each instance where this objection applies.

6. AT&T Florida objects to providing information to the extent that such information is already in the public record before the Commission.

7. AT&T Florida objects to each and every data request to the extent that the information requested constitutes "trade secrets" which are privileged pursuant to §90.506, *Florida Statutes*. AT&T Florida also objects to each and every request that would require the disclosure of customer specific information, the disclosure of which is prohibited by §364.24, *Florida Statutes*. To the extent that Staff's request ask for proprietary information that is not subject to the "trade secrets" privilege or to §364.24, AT&T Florida will make such information available at a mutually agreeable time and place pursuant to a Motion for Protective Order, or subject to a Request for Confidential Classification.

8. AT&T Florida objects to the requests insofar as they seek to impose obligations on AT&T Florida that exceed the requirements of the Florida Rules of Civil Procedure or Florida Law.

9. AT&T Florida objects to each and every request, insofar as any of them is unduly burdensome, expensive, oppressive, or excessively time consuming as written.

SPECIFIC RESPONSES

REQUEST: In Exhibit G, Affidavit of Larry Bishop, paragraph 7, Mr. Bishop states that the estimated costs for the network deployment to Coastal Oaks and Riverwood amount to approximately, $1.6 million.

Please provide all work papers, including, but not limited to, studies, analysis, engineering schematics, labor cost estimates, equipment cost estimates and management and overhead expenses, that support Mr. Bishop's estimated amount.

RESPONSE: Responsive documents are provided. This information is confidential and proprietary and is being provided subject to the Notice of Intent filed with these responses.

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager, Network Operations Support

REQUEST: In paragraph 29, page 12, of BellSouth's petition, BellSouth states the following:

To date, the developer has been unwilling to reimburse BellSouth for any of the anticipated costs of BellSouth building a duplicate network (Comcast will construct its own) in the Riverwood and Coastal Oaks subdivisions.

a) Define, and explain in detail, the duplicative network to which BellSouth is referring.
b) Explain in detail how BellSouth's network, if installed, would be a duplicate to Comcast's network.
c) Please provide supporting documentation that demonstrations BellSouth's network is a duplicate of Comcast's network.

RESPONSE: a) AT&T Florida defines a duplicative network as one resulting from the placement of like facilities by two or more providers that are capable of supporting similar service offerings to the same group of customers or end users. In the case of the private communities in Nocatee, Comcast will build a network that is capable of, and will, provide video, data and voice services to the residents in that community. Indeed, Nocatee concedes in Paragraph 68 of their Answer that (upon information and belief) Comcast will provide voice services in the Nocatee community. The network that AT&T Florida will have to deploy to provide services (in this instance limited to voice) will duplicate the network deployed by Comcast.

b) Should AT&T Florida install facilities to the individual living units in the private communities of Nocatee, AT&T Florida would; 1) install essentially identical facilities in each easement, 2) extend those facilities to the same individual homes; 3) construct virtually identical fiber distribution facilities, and 4) mirror the installation of the electronic components necessary for the operation of the fiber facilities. In all respects, then, and by any measure, those facilities would be duplicative of the facilities that are planned to be installed by Comcast under the arrangement between Comcast and the developer.

RESPONSE (CONT.):

c) In the course of discussing serving arrangements for planned communities with developers, AT&T Florida routinely engages in dialog about proposed development home sites, the number of planned phases, the proposed selling price of the living units, and other issues that may impact the type of facilities that are envisioned for the development. In addition, AT&T Florida relies on observable or publicly-available information about other telecom providers in the immediate area of the development in question. With respect to knowledge available to AT&T Florida concerning Comcast in the vicinity of Nocatee, the following information became available to AT&T Florida through discussions with the developer and with Comcast:

- Comcast offers voice services in this immediate area of Nocatee
- Certain design documents were made available by Comcast for joint trench purposes at pre-construction meetings. The Comcast network is a voice capable architecture called PHD or parallel hybrid design. This network design is typically used by Comcast to facilitate the delivery of voice service.
- Comcast is building a HUB head-end near the private communities to serve the Nocatee development. HUB sites are not usually required unless the service requirements include Local Channel Insertion, interactive systems and voice switching.
- A Comcast representative participating in the Florida Commission workshop implementing HB142 conveyed to AT&T Florida representatives that Comcast planned to offer digital voice service throughout Nocatee.

RESPONSE (CONT.):

The above-gathered information allows AT&T Florida to conclude that Comcast fully intends to offer voice service to the purchasers of the homes in the private communities of Nocatee, thus resulting in duplicate facilities for the provision of voice service. As noted above, AT&T Florida's conclusion is confirmed by Nocatee's admission in Paragraph 68 of the Answer.

RESPONSE PROVIDED BY: Pam Tipton - Director Regulatory Policy
Larry Bishop – Supervising Manager,
Network Operations Support

REQUEST: In paragraph 31, page 12, of BellSouth's petition, BellSouth indicates that it believes [Comcast] will be offering voice service to residents.

Please provide documentation that supports BellSouth's position that Comcast will offer voice service to the residents in the Riverwood and Coastal Oaks subdivisions.

RESPONSE: Documents responsive to this request are provided. The attached Comcast Triple Play direct mail piece was sent to a residential address which is approximately 8-10 miles from the Nocatee development. See also, Paragraph 68 of the Answer wherein Nocatee admits that it is their belief that Comcast will be providing voice services at the Riverwood and Coastal Oaks subdivisions.

RESPONSE PROVIDED BY: Pam Tipton - Director Regulatory Policy

REQUEST: Please provide copies of all correspondence between BellSouth and the Developer regarding the provision of service to Riverwood and Coastal Oaks.

RESPONSE: Documents responsive to this request are provided.

RESPONSE PROVIDED BY: Pam Tipton - Director Regulatory Policy

REDACTED

REQUEST: Referring to the bottom of page 10 and continuing on the top of page 11 of the Petition:

a) Please describe the specific OSS changes that will be required;
b) Please describe why these OSS changes will be required; and
c) Please quantify the costs that BellSouth will incur to make these OSS changes and provide supporting documentation.
d) If its waiver is not granted, does BellSouth intend to recover these costs from the Developer?

RESPONSE: AT&T Florida has very limited experience dealing with situations where we would be providing voice services, but restricted from offering other services (such as data and video) that customers traditionally request from us. Therefore it is impossible to identify all of the potential impacts to service, repair, wholesale operations, etc. that will occur and the extent of modifications that will be required to our front end and other OSS systems to comply with these arbitrary restrictions. At a minimum, however, we would anticipate a change to the Regional Street Address Guide (RSAG) system so that it would identify addresses served by FTTC/FTTH architecture. This change is necessary in order to prevent incumbent local exchange carriers ("ILECs") from provisioning unbundled service other than voice (i.e. DS1, ISDN, and other switched data services) on the facilities placed by AT&T Florida. The estimated cost for this system change alone is $[redacted].

Further, the serving terminals for the units in the private communities would need to be restricted in the Loop Facilities Assignment and Control System (LFACS). These restrictions would identify the easement restriction that is in place on this property and would prohibit non-voice services from being offered to the property. Although the LFACS terminal restrictions would be made up front, the outside plant facilities that would be placed to provide voice service to the private communities in Nocatee will also be capable of providing data and video services to the private communities. The fiber-to-the-curb network that is generally placed by AT&T Florida in new developments *can* support data and video services, with additional plug-ins placed at the serving Remote Terminal and serving terminals. The Remote Terminal can be initially provisioned

RESPONSE (CONT.):

REDACTED

to provide voice service only. However, since the facilities have the ability to support data and video by simply placing additional plug-ins, there is a chance that, without permanent instructions to the contrary, the facilities could be provisioned in the future to provide data and video in order to satisfy a customer request. An example of this possibility could occur when an existing AT&T Florida customer that currently has data service with AT&T Florida at another location moves into a unit located within the private communities. Without the proper restrictions, an AT&T Florida technician could place the required plug-ins to provide data service to the existing data customer in order to provide good customer service.

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager,
Network Operations Support

REQUEST: Please provide any reports, studies or analyses conducted by or for BellSouth that indicate what circumstances provision of service to Riverwood and Coastal Oaks will be compensatory.

RESPONSE: See AT&T Florida's Response to Staff's 1st Data Request, Item No. 7.

RESPONSE PROVIDED BY: Pam Tipton - Director Regulatory Policy

REDACTED

REQUEST: To the extent not provided in response to Request No. 6, please provide any reports, studies or analyses conducted by or for BellSouth that indicate at what level of demand and for what services provision of service to Riverwood and Coastal Oaks, that BellSouth would break even.

RESPONSE: With the ability to compete against the triply play offered by Comcast with a only stand alone voice offering, AT&T Florida has no idea what penetration rate to expect. This results in extreme uncertainty. To help quantify the value of the uncertainty, AT&T Florida conducted a net present value and cumulative cash flow analysis for the properties in question. The output from this analysis is attached.[1] This information is confidential and proprietary and is being provided subject to the Notice of Intent filed with these responses. To conduct this analysis, AT&T Florida utilized the following inputs:

1. Up front facilities investment costs
2. Operating costs (provisioning, maintenance and repair)
3. Projected revenues
4. Discount rate

As indicated in the affidavit of Larry Bishop, AT&T Florida completed its engineering designs and costs estimates for the provision of service to Riverwood and Coastal Oaks developments. As the model indicates, AT&T Florida will incur an upfront capital cost of [redacted] to establish entrance facilities for the subdivision. These costs are incurred regardless of the volume of subscribers or the anticipated take rates. In addition to the upfront cost, AT&T Florida will incur additional incremental costs of [redacted] for every house passed. These facilities must be placed when the subdivision roads are first placed and before any substantive building has been started. Since the company has no way of knowing which customers in the subdivision will ultimately request our service, we must build facilitates such that we can serve any and all households. The model

[1] Non-relevant portions of the documents have been redacted.

RESPONSES (CONT.):

REDACTED

attempts to anticipate the cash flow associated with this incremental build out to coincide with the construction of the four phases of the development. In addition to the capital cost there is an ongoing maintenance expense of _____ per line per month. This cost is estimated based on the average cost of maintenance in Florida as tracked by AT&T Florida's Activity Based Cost Accounting system (ABIS). This system capturers the actual expense for maintenance expended by the company by state and allocates those cost across all in-service lines in the state.

AT&T Florida projected revenues in several steps. The first step was to determine anticipated average revenue per unit (ARPU). To project ARPU, AT&T Florida used its actual weighted average revenue per unit for residential voice service in Florida. The weighting was based on the actual percentage of customers subscribing to basic service local or one of the local voice service packages such as Complete Choice. AT&T Florida added to this revenue per unit a weighted average long distance revenue per line based on actual penetration and average revenue per line in Florida. AT&T Florida did not attempt to capture the expected decline in ARPU as technology substitutes diminish the value of stand alone voice service. The second step was to estimate the number of households to be occupied at various stages of the development. Using the number of living units per phase provided to AT&T Florida by the developer, AT&T Florida evenly spread the occupancy for these two developments over an eight year period. It then considered a half-year convention for calculating the total revenue per household for the first year of occupancy and a 12-month convention for each of the out years.

Using a discount rate of _____%, AT&T Florida evaluated its cumulative cash flow and net present value (NPV) of its investment using various penetration rates. This analysis demonstrated to AT&T Florida that with the limited revenue of a voice-only offering, AT&T Florida could not experience a positive cash flow within a reasonable timeframe using anticipated penetration rates.

RESPONSES (CONT.):

REDACTED

The NVP method allows for applying the time value of money to both cash outflows (money spent) and cash inflows (revenue) over a period of time stated in today dollars. In this model, the initial and incremental capital costs are recovered over time based on the monthly revenue anticipated. The model indicates that you would have to assume a greater than 50% penetration (or take rate) for the project just to recover the capital investment in 10 years.

RESPONSE PROVIDED BY: Pam Tipton - Director Regulatory Policy

REQUEST: Referring to paragraph 30 of the Petition, is it AT&T Florida's position that provision of voice-only serviced to Riverwood and Coastal Oaks would be "uneconomic"? Please define "uneconomic" as it is used in this paragraph.

RESPONSE: In paragraph 30, AT&T Florida contends that being required, subject to a carrier of last resort ("COLR") requirement, to provide voice-only services to Riverwood and Coastal Oaks would force AT&T Florida to "make unwise economic decisions" in the form of "installing duplicative facilities with no certainty of ever recouping the costs, much less being able to make any positive return on the investment." The reasons for that assertion are as follows.

First, the COLR requirement is anachronistic in today's competitive telecommunications marketplace. When coupled with a voice-only restriction, that outdated requirement becomes even more onerous from an economic standpoint. The COLR requirement is essentially a holdover from the pre-competitive era in which the ILEC, such as AT&T Florida, constituted the entire supply side of the market. Accordingly, there was legitimate concern that, in the absence of an explicit COLR requirement, certain classes of customers or customers at certain locations would be unable to receive telecommunications service at affordable prices. Under the prevailing regulatory compact, the ILEC with the COLR obligation was also assured of an opportunity to eventually recover all its costs, including those that arose specifically from meeting that obligation. In the current competitive marketplace, where customers are free to seek out new sources of service (including those through exclusive contractual arrangements as in Riverwood and Coastal Oaks), the economic realities and regulatory compacts of the pre-competitive COLR era no longer exist. As a result, holding AT&T Florida to an outdated COLR obligation would subject it to an unfair, burdensome, and unsustainable economic reality that is completely at odds with today's competitive telecommunications environment.

RESPONSE (CONT.):

Second, in striking contrast to the COLR-era telecommunications marketplace (when services offered were predominantly voice-based), rapid technological progress — exemplified by the deployment of new fiber-based next generation networks and broadband services — has fundamentally altered what customers want, how they are served, and who serves them. Provision of the "triple play" — the term used for the combination of voice, video, and data (Internet) services that customers now routinely demand — now dominates all new telecommunications investment decisions, whether by ILECs or their competitors (including cable, wireless, and other networks that now compete for the same telecommunications customers). Because of the substantial economies of scope in that provision through the new fiber-based networks, as well as rising customer demand for single-source or bundled offerings, service providers can plan to provide any single service instead of all three only at their economic peril. Compounding this new fact of life is the meteoric rise of alternative forms of voice service, such as wireless and voice over the Internet protocol ("VoIP"). These offer new and highly competitive options for voice service to customers and further reduce the rationale for any voice-only COLR obligation for ILECs. In these circumstances, if a COLR obligation must continue to exist for ILECs — and, in the present competitive environment, there is no compelling reason that it should — then, at the very least, it should permit the carrier with the COLR obligation to offer the triple play.

Finally, the world of competitive telecommunications ushered in by the Telecommunications Act of 1996 and similar facilitating legislation in individual states can only fulfill its promise if carriers — traditional or intermodal, incumbent or new entrant — can truly compete among themselves and undertake economically sustainable investments that lead to new and innovative services and service delivery mechanisms. In that respect, the telecommunications industry must now be self-regenerating and individual service and network providers must succeed or fail on the merits of their market performance. Their economic fortunes should be driven by the investment decisions they make and the variety and quality of services they provide, rather than by outdated and asymmetric regulatory obligations. Any COLR requirement, coupled with a voice-

RESPONSE (CONT.):

only restriction for AT&T Florida, represents precisely such a regulatory obligation that is squarely at odds with both the vision of telecommunications laws that foster competition and the technological and market realities that have emerged over the past decade. Precisely for this reason, Section 364.025(6) of the Florida Statutes was enacted to provide COLR relief to the ILEC if various market-based tests were met.

AT&T Florida has conducted the standard market-based feasibility tests for any new investment that would be required to serve the residents of Riverwood and Coastal Oaks, particularly with a voice-only limitation that would (1) also limit how efficiently AT&T Florida could use its new facilities to provide service and (2) maintain a very high level of uncertainty about customer demand for voice-only service in an environment marked by bundled offerings of the triple play. As with all new investments in a competitive market, AT&T Florida has conducted an analysis based on its projections of revenues and costs (both capital and expenses) over a 20-year time span. To this end, AT&T Florida has used a conservatively low discount rate, based its revenue projections on average voice only revenue per user ("ARPU") estimate derived from its present customer base, and utilized various anticipated penetration rates in the new developments. Even with conservative assumptions and best-case scenarios, AT&T Florida's evaluation shows that it would take a penetration rate for voice service approaching half the potential customers in the new developments to even recover its investment in about 8-10 years. If there is any uncertainty — and, presently, that level of uncertainty is very high — about being able to achieve such an extraordinarily high penetration rate in the presence of the voice-only restriction, the long recovery period in a rapidly changing marketplace can prove to be financially and economically unwise and unsustainable. At more realistic, i.e., lower, levels of the penetration rate, coupled with a more realistic declining ARPU, given technology substitution, the investment recovery period appears to be even longer and, therefore, even

RESPONSE (CONT.):

less prudent or economically feasible. In fact, if — as is increasingly the norm in highly uncertain environments — real options analysis is applied , the economic infeasibility of AT&T Florida's investment in Riverwood and Coastal Oaks to provide voice-only services is likely to be amplified.

RESPONSE PROVIDED BY: Aniruddha Banerjee Ph.D

REQUEST: Does BellSouth currently design and install network architecture anywhere in Florida that is limited in capability to providing end-users only voice and DSL services, e.g. not capable of supporting video services?

RESPONSE: Yes. In fact the $1.6M estimated cost included in Mr. Bishop's affidavit is the estimated cost to provide voice service only. There would be additional cost required to provide data service ($45K) and video service ($124K) to the private communities. The total cost to provide voice, data, and video service to each unit in the private communities is approximately $1.769M, of which approximately 90% of the cost ($1.6M) would be required to provide voice service only.

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager, Network Operations Support

REQUEST: If the answer to Request No. 9 is no, on what date did BellSouth initiate design and installation of its network build outs to fully support voice, data, and video services?

RESPONSE: Not applicable.

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager, Network Operations Support

Respectfully submitted this 9th day of February, 2007.

BELLSOUTH TELECOMMUNICATIONS, INC. D/B/A AT&T FLORIDA

James Meza III /RN

JAMES MEZA III
MANUEL GURDIAN
c/o Nancy H. Sims
150 So. Monroe Street, Suite 400
Tallahassee, FL 32301
(305) 347-5558

E. Earl Edenfield Jr. /RN

E. EARL EDENFIELD JR.
Suite 4300, BellSouth Center
675 W. Peachtree St., NE
Atlanta, GA 30375
(404) 335-0763

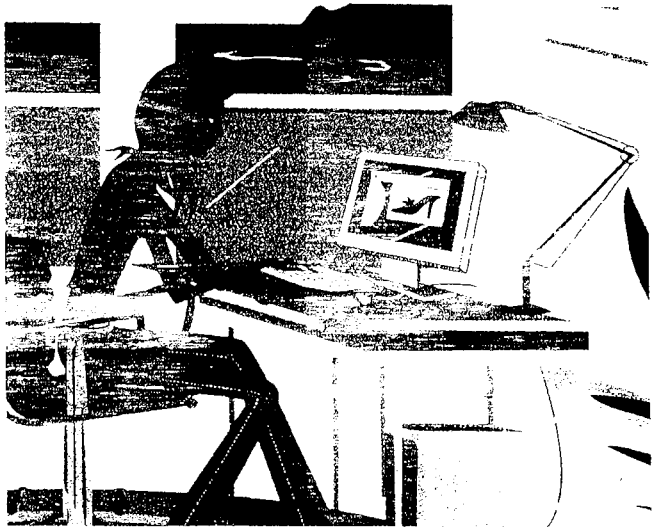
AT&T Florida
Florida Public Service Commission
Docket No. 060822-TL
Staff's 1st Data Request
January 29, 2007
Item No. 3

ATTACHMENT TO DATA REQUEST, ITEM NO 3

Don't miss out on the Comcast Triple Play!



Comcast Enhanced Cable

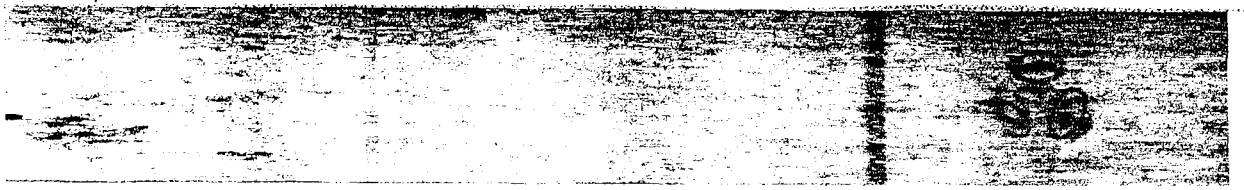


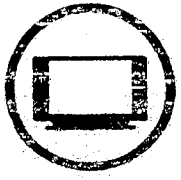
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Comcast Digital Voice℠

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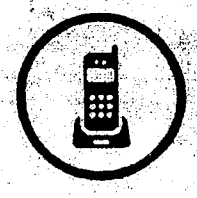
Comcast Enhanced Cable with ON DEMAND

» 100% Digital-quality picture and sound.
» Over 100 channels including movies, sports, music, family entertainment and more!
» ON DEMAND – start tons of movies and shows on your schedule. You can't do that with a dish!
» Commercial-free digital music on over 50 channels – listen without interruption 24/7.
» Interactive On-screen Guide – view and search 90 minutes of program listings at one time.
» Parental Controls keep your TV kid-friendly.



Comcast High-Speed Internet

» Download speeds of up to 6Mbps – that's up to 7x faster than 768Kbps DSL!
» Comcast Security powered by McAfee® – FREE to PC users.*
» EasyChange – automatically send your new e-mail address to contacts, transfer your personal data and more!
» Comcast Home Networking available – connect up to 5 computers!



Comcast Digital Voice®

» Unlimited local and long-distance calling in the U.S. and Canada.
» 12 popular calling features, plus Voice Mail with web access.
» Online Account Summary and call detail.
» Works with your existing phone lines, handsets and jacks.
» Keep your current phone number or change it – you decide!

*Offer only available in participating Comcast systems (and may not be transferred) and limited to new residential customers (or former customers with accounts in good standing, who have not had any Comcast service within the last 90 days), located in Comcast Cable wired and serviceable areas. Offer limited to Enhanced Cable, 6.0 Mbps High-Speed Internet Access and Comcast Digital Voice service. Advertised prices only available with subscription to all 3 services. If any service is cancelled or downgraded during the promotional period, Comcast's regular charges apply for any remaining services. AFTER THE PROMOTIONAL PERIOD, COMCAST'S REGULAR CHARGES APPLY UNLESS SERVICE IS CANCELLED. YOU MAY CANCEL SERVICE BY CALLING 904-374-8000. Comcast's current monthly service charge for all three services ranges from $128.55 to $132.89, depending on the area. Offer only good for a single outlet per service. Service is subject to Comcast *standard terms and conditions of service. Offer ends 12/22/06.* Equipment, including a cable modem (for High-Speed service, current monthly rental fee is $3/month, Home networking router is $5/month) or EMTA (for telephone service, currently monthly rental fee is $3/month) required and installation fees are additional. Enhanced cable package price includes one digital receiver and remote control. Prices shown do not include taxes, franchise fees or, for Digital Voice, Regulatory Recovery Fee, which is not a tax or government required or other applicable charges, e.g., per-call charges. Not all programming and services available in all areas. **Cable Service:** Certain services are available separately or as a part of other levels of service. Basic 1 service subscription is required to receive other levels of service. ON DEMAND selections subject to charge indicated at the time of purchase. Viewing digital signals requires compatible equipment. **High-Speed Service:** Speeds stated are for downloads only and compare Comcast 6.0 Mbps (maximum upstream limited to 384Kbps) to 56Kbps dial-up and 768 Kbps DSL. Many factors affect speed and actual speeds will vary. Not all features compatible with Macintosh systems and McAfee only compatible with Windows systems. ^McAfee® downloads can be accessed at Comcast.net/benefits. **Comcast Digital Voice:** Unlimited package pricing applies to all direct-dialed calls to locations in the U.S. and Canada, from home. No separate long distance carrier connection available. Plan does not include international calls. Comcast Digital Voice service (including 911/emergency services) may not function after an extended power outage. Certain customer premises equipment may not be compatible with Comcast Digital Voice services. Caller ID equipment is required. May not be combined with other offers. Other restrictions apply. Please call your local Comcast office for restrictions and complete details about service, prices and equipment. Comcast ©2006. All rights reserved.



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AT&T Florida
Florida Public Service Commission
Docket No. 060822-TL
Staff's 1st Data Request
January 29, 2007
Item No. 4

ATTACHMENT TO DATA REQUEST, ITEM NO 4

PAPPAS METCALF JENKS & MILLER
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ATTORNEYS AT LAW
245 RIVERSIDE AVENUE, SUITE 400
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ANGELA M. SARABIA
STACY M. REWIS
JOSEPH J. VAN ROOY
KATHRYN E. WHITTINGTON

January 23, 2007

VIA COURIER

Robert Suarez, P.E., Director
Engineering & Construction
BellSouth Telecommunications, Inc.
Network Operations / Northeast Florida
301 W. Bay Street, Site 11AA1
Jacksonville, Florida 32202-5184

Re: Forms of Easement - Nocatee

Dear Mr. Suarez:

Rick Ray has forwarded to me your letter of January 3, 2007 commenting upon easement forms previously delivered to you by Mr. Ray with respect to service by BellSouth in the Nocatee community included in his December 13, 2006 letter to Phil Jacobs. The following is in response to the comments in your January 3rd letter:

With regard to your comments in subsections (1) and (2), you are correct that the easement forms that we provided were to address residential areas in Nocatee abutting public rights of way referred to as the "Public" communities and residential areas abutting private roads (which includes Riverwood and Coastal Oaks subdivisions) and referred to as "Private" communities.

After consultation with Mr. Ray and the project construction team and engineer, we have been advised that our construction staff has been coordinating with BellSouth field representatives on specifics associated with the installation of services by BellSouth within the Public communities for a number of months. It is my current understanding that BellSouth and Comcast have agreed to joint trenching of parallel lines within the right of way of areas to be dedicated as public roads. Within these Public communities, there will be two instances in which additional easements over private properties will be required. First, to locate RT boxes within a customary footprint and second, a location for BellSouth pedestals within a 5-foot easement adjacent and parallel to the public rights of way and within the lot frontage abutting the public rights of way. Michael Daliberti with The PARC Group advises that this is a template for the line installation and easement structure for BellSouth within all of the Public communities. As a result, the easement form that we provided would be revised to specify the precise improvements which would be placed by BellSouth within the 5-foot and RT easement areas. In this regard, we would appreciate your assistance in describing both the RT facility and the "pedestals" since this

will be the specific purpose of the easement grant. When this language is clarified, it will address your comment in subsection A.1. of your letter.

With regard to your comments in subsection A.2., we are agreeable to your suggested change; although I have modified the language slightly to address notification of successors and assigns as designated by Grantor.

With regard to your comments in subsection A.3., we are also agreeable to the change you suggested with some minor changes and with a similar modification to address designated successors and assigns.

With regard to your comments in subsection A.4., since both the RT Facility and the pedestals are aboveground facilities, it would be acknowledged that these would be aboveground facilities, but the connecting lines would be provided underground.

Modified forms of easement to both "Private and Public" communities are attached to this letter for your review and consideration. As indicated in the bracketed provisions, we would appreciate your input for greater clarity on the RT unit and pedestal description.

With regard to your comments in subsection B., as you know BellSouth has initiated proceedings before the Public Service Commission in which it requests release from any COLR obligation to provide telephone service within the private areas of the Nocatee community. Our position with regard to the scope of the easement to be granted and the nature of the telecommunication services to be provided by BellSouth within the private easement areas was clearly articulated in the form of easement we originally provided and those provisions have not been changed.

Thank you for your attention to these matters and we look forward to your comments on the enclosed revisions and resolution of the form of easement for the Public communities.

Sincerely,

M. Lynn Pappas

MLP/df
Enclosure

cc: Richard T. Ray (w/encl. via Email)
Floyd Self (w/encl. via Email)
Spencer Cummings (w/encl. via Email)

{00146320.DOC }

STATE OF FLORIDA

BELLSOUTH

COUNTY OF _____

Preparer's name:

_____

_____

_____

_____

EASEMENT

For and in consideration of Ten and 00/100 dollars ($10.00) and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the undersigned owner(s) of the premises described below, hereinafter referred to as Grantor, do(es) hereby grant to **BELLSOUTH TELECOMMUNICATIONS, INC.**, a Georgia corporation, its licensees, agents, successors, assigns, hereinafter referred to as Grantee, a non- exclusive easement to operate, construct, maintain, add, and/or remove ~~certain telecommunications wires and facilities~~**[RT Unit] [Pedestal Facilities]** (the "Facilities") under the Easement Property more particularly described below and located in _____ County, Florida, all on the terms more particularly set forth below. The Easement Property is more particularly described as follows:

All that tract or parcel of land lying in Section _____, Township_____, Range_____, _____ County, State of Florida, described as follows:

[Insert Description]

(the " Easement Property").

The following rights are also granted to the Grantee: the right of the Grantee to attach wires or lay cable or conduit or other appurtenances ~~under said Easement Property~~to attach to the Facilities for telecommunications purposes or electric power transmission or distribution to serve the telecommunications facilities; ingress and egress over said Easement Property at all times; the right, but not the obligation, with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, to clear the Easement Property and keep it cleared of all trees, undergrowth, or other obstructions; the right, but not the obligation, with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, to trim and cut and keep trimmed and cut all dead, weak, leaning or dangerous trees or limbs outside the Easement Property which might interfere with or fall upon the lines or systems of telecommunication or power transmission or distribution; with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, the right at Grantee's cost and expense to relocate said systems of telecommunications on the Easement Property to conform to any future highway relocation, widening, or improvements.

To have and to hold, the above granted easement unto Grantee forever and in perpetuity. Grantor warrants that it is the fee owner of the land upon which the above described easement is located.

~~There shall be no new installation and or relocation of any lines or other improvements by Grantee within the Easement Property, after initial installation, without written permission from the Grantor or Grantor's designated successor or assign. Written permission of the Grantor or Grantor's designated successor or assign is not required by the Grantee for any Grantee customary repairs and /or maintenance of the Easement Property.~~

000035

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Following installation of the Facilities within the Easement Property, Grantee will use its best efforts to notify Grantor or its designated successor or assigns of any major new installation within the Easement Property prior to such installation.

Grantor reserves the right and privilege to use and occupy and to grant to others the right to use and occupy the surface and air space over the ~~easement area~~Easement Property for any purpose which is not inconsistent with the rights herein granted to Grantee and which does not interfere with Grantee's use of the ~~easement area~~Easement Property, including, without limitation, the installation, construction, maintenance and use of paving, grass, driveway and sidewalk improvements; provided, however, that Grantor will not plant trees or install structures (other than paving, driveway, sidewalk and similar surface improvements) on top of Grantee's facilities in the ~~easement area~~Easement Property. Notwithstanding the foregoing, if any such improvements interfere with Grantees use of the Easement Property, Grantee shall provide written notice to Grantor or its successor or assigns as owners of the Easement Property and, at the option of such owner, they shall remove such improvements or request Grantee to remove such improvements at owner's expense. Grantee has no obligation to relocate its Facilities within the Easement Property once installed to accommodate such improvements.

All facilities and equipment will be installed, operated and maintained at all times beneath the surface of the Easement Property; ~~provided that the same may be temporarily exposed or removed to the surface when necessary or desirable for the purpose of repairing and/or replacing the same~~ **except [RT Unit / Pedestal Facilities].**

_____

_____ By: _____

Print Name: _____ Name: _____

_____ Title: _____

Print Name: _____

STATE OF FLORIDA }
}SS
COUNTY OF _____}

The foregoing instrument was acknowledged before me this _____ day of _____, 200___, by _____, _____ of _____, a _____, on behalf of the company.

_____
Print Name: _____
NOTARY PUBLIC
State of Florida at Large
Commission # _____
My Commission Expires:
Personally Known [ ]
or Produced I.D. [ ]
[check one of the above]
Type of Identification Produced

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Document comparison done by DeltaView on Wednesday, January 10, 2007 10:21:08 AM

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Format changed	0
Total changes	18

STATE OF FLORIDA

BELLSOUTH

COUNTY OF _____

Preparer's name:

_____

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_____

EASEMENT

For and in consideration of Ten and 00/100 dollars ($10.00) and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the undersigned owner(s) of the premises described below, hereinafter referred to as Grantor, do(es) hereby grant to **BELLSOUTH TELECOMMUNICATIONS, INC.**, a Georgia corporation, its licensees, agents, successors, assigns, hereinafter referred to as Grantee, a non- exclusive easement to construct, maintain, add, and/or remove certain telecommunications wires and facilities under the Easement Property more particularly described below and located in _____ County, Florida and to operate the telecommunications wires and facilities to deliver voice service (the "Facilities"), all on the terms more particularly set forth below. The Easement Property is more particularly described as follows:

All that tract or parcel of land lying in Section _____, Township_____, Range_____, _____ County, State of Florida, described as follows:

[Insert Description]

(the " Easement Property").

The following rights are also granted to the Grantee: the right of the Grantee to attach wires or lay cable or conduit or other appurtenances under said Easement Property for telecommunications purposes or electric power transmission or distribution to serve the telecommunications ~~Facilities~~Facilities; ingress and egress over said Easement Property at all times; the right, but not the obligation, with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, to clear the Easement Property and keep it cleared of all trees, undergrowth, or other obstructions; the right, but not the obligation, with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, to trim and cut and keep trimmed and cut all dead, weak, leaning or dangerous trees or limbs outside the Easement Property which might interfere with or fall upon the lines or systems of telecommunication or power transmission or distribution; with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, the right at Grantee's cost and expense to relocate said systems of telecommunications on the Easement Property to conform to any future highway relocation, widening, or improvements.

To have and to hold the above granted ~~easement~~Easement unto Grantee forever and in perpetuity. Grantor warrants that it is the fee owner of the land upon which the above described ~~easement~~Easement is granted.

~~There shall be no new installation and/or relocation of any lines or other improvements by Grantee within the Easement Property after initial installation, without written permission from the Grantor or Grantor's designated successor or assign. Written permission of the Grantor or Grantor's designated successor or assign is not required by the Grantee for any Grantee customary repairs and or maintenance of the Easement Property.~~

Following installation of the Facilities within the Easement Property, Grantee will use its best efforts to notify Grantor, or its designated successor or assigns, of any major new installation within the Easement Property prior to such installation.

It is understood that Grantee may use the wires and facilities Facilities installed under this Easement for any type of voice service only and the rights granted herein shall specifically exclude delivery of internet/data services and/ or video/television services or telecommunications services other than voice service by Grantee. In addition to enforcement by Grantor, this provision may be enforced at law or in equity (including the right to specific performance and/or injunctive relief) by SONOC Company, LLC, a Delaware limited liability company, its successors or assigns, who is an intended third party beneficiary of this provision.

Grantor reserves the right and privilege to use and occupy and to grant to others the right to use and occupy the surface and air space over the easement area Easement Property for any purpose which is not inconsistent with the rights herein granted to Grantee and which does not interfere with Grantee's use of the easement area Easement Property, including, without limitation, the installation, construction, maintenance and use of paving, grass, driveway and sidewalk improvements; provided, however, that Grantor will not plant trees or install structures (other than paving, driveway, sidewalk and similar surface improvements) on top of Grantee's facilities in the easement area Facilities in the Easement Property. Notwithstanding the foregoing, if any such improvements interfere with Grantees use of the Easement Property, Grantee shall provide written notice to Grantor, or its successor or assigns, as owners of the Easement Property and, at the option of such owner, they shall remove such improvements or request Grantee to remove such improvements at owner's expense. Grantee has no obligation to relocate its Facilities within the Easement Property once installed to accommodate such improvements.

All facilities Facilities and equipment will be installed, operated and maintained at all times beneath the surface of the Easement Property; provided that the same may be temporarily exposed or removed to the surface when necessary or desirable for the purpose of repairing and/or replacing the same, except [RT Unit / Pedestal Facilities].

_____

_____ By: _____

Print Name: _____ Name: _____

_____ Title: _____

Print Name:

STATE OF FLORIDA }
}SS
COUNTY OF _____}

The foregoing instrument was acknowledged before me this ____ day of _____, 200 , by _____.
_____ of _____, a _____,
on behalf of the company.

_____
Print Name: _____
NOTARY PUBLIC
State of Florida at Large
Personally Known [ ]
or Produced I.D. [ ]

[check one of the above]
Type of Identification Produced

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Document comparison done by DeltaView on Tuesday, January 23, 2007 10:11:02 AM

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Format changed	0
Total changes	24

STATE OF FLORIDA

BELLSOUTH

COUNTY OF _____

Preparer's name:

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EASEMENT

For and in consideration of Ten and 00/100 dollars ($10.00) and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the undersigned owner(s) of the premises described below, hereinafter referred to as Grantor, do(es) hereby grant to **BELLSOUTH TELECOMMUNICATIONS, INC.**, a Georgia corporation, its licensees, agents, successors, assigns, hereinafter referred to as Grantee, a non- exclusive easement to operate, construct, maintain, add, and/or remove **[RT Unit] [Pedestal Facilities]** (the "Facilities") under the Easement Property more particularly described below and located in _____ County, Florida, all on the terms more particularly set forth below. The Easement Property is more particularly described as follows:

All that tract or parcel of land lying in Section _____, Township_____, Range_____, _____ County, State of Florida, described as follows:

[Insert Description]

(the " Easement Property").

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To have and to hold, the above granted easement unto Grantee forever and in perpetuity. Grantor warrants that it is the fee owner of the land upon which the above described easement is located.

Following installation of the Facilities within the Easement Property, Grantee will use its best efforts to notify Grantor or its designated successor or assigns of any major new installation within the Easement Property prior to such installation.

Grantor reserves the right and privilege to use and occupy and to grant to others the right to use and occupy the surface and air space over the Easement Property for any purpose which is not inconsistent with the rights herein granted to Grantee and which does not interfere with Grantee's use of the Easement Property, including, without limitation, the

installation, construction, maintenance and use of paving, grass, driveway and sidewalk improvements; provided, however, that Grantor will not plant trees or install structures (other than paving, driveway, sidewalk and similar surface improvements) on top of Grantee's facilities in the Easement Property. Notwithstanding the foregoing, if any such improvements interfere with Grantees use of the Easement Property, Grantee shall provide written notice to Grantor or its successor or assigns as owners of the Easement Property and, at the option of such owner, they shall remove such improvements or request Grantee to remove such improvements at owner's expense. Grantee has no obligation to relocate its Facilities within the Easement Property once installed to accommodate such improvements.

All facilities and equipment will be installed, operated and maintained at all times beneath the surface of the Easement Property except **[RT Unit / Pedestal Facilities]**.

_____

_____ By:_____

Print Name: _____ Name:_____

_____ Title:_____

Print Name: _____

STATE OF FLORIDA }
}SS
COUNTY OF _____}

The foregoing instrument was acknowledged before me this ____ day of _____, 200__, by _____, _____of _____, a _____, on behalf of the company.

_____
Print Name: _____
NOTARY PUBLIC
State of Florida at Large
Commission # _____
My Commission Expires:
Personally Known [ ]
or Produced I.D. [ ]
[check one of the above]
Type of Identification Produced
_____

STATE OF FLORIDA

BELLSOUTH

COUNTY OF_____

Preparer's name:

_____

_____

_____

_____

EASEMENT

For and in consideration of Ten and 00/100 dollars ($10.00) and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the undersigned owner(s) of the premises described below, hereinafter referred to as Grantor, do(es) hereby grant to **BELLSOUTH TELECOMMUNICATIONS, INC.**, a Georgia corporation, its licensees, agents, successors, assigns, hereinafter referred to as Grantee, a non- exclusive easement to construct, maintain, add, and/or remove certain telecommunications wires and facilities under the Easement Property more particularly described below and located in _____ County, Florida and to operate the telecommunications wires and facilities to deliver voice service (the "Facilities"), all on the terms more particularly set forth below. The Easement Property is more particularly described as follows:

All that tract or parcel of land lying in Section _____, Township_____, Range _____, _____ County, State of Florida, described as follows:

[Insert Description]

(the " Easement Property").

The following rights are also granted to the Grantee: the right of the Grantee to attach wires or lay cable or conduit or other appurtenances under said Easement Property for telecommunications purposes or electric power transmission or distribution to serve the telecommunications Facilities; ingress and egress over said Easement Property at all times; the right, but not the obligation, with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, to clear the Easement Property and keep it cleared of all trees, undergrowth, or other obstructions; the right, but not the obligation with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, to trim and cut and keep trimmed and cut all dead, weak, leaning or dangerous trees or limbs outside the Easement Property which might interfere with or fall upon the lines or systems of telecommunication or power transmission or distribution; with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, the right at Grantee's cost and expense to relocate said systems of telecommunications on the Easement Property to conform to any future highway relocation, widening, or improvements.

To have and to hold the above granted Easement unto Grantee forever and in perpetuity. Grantor warrants that it is the fee owner of the land upon which the above described Easement is granted.

Following installation of the Facilities within the Easement Property, Grantee will use its best efforts to notify Grantor, or its designated successor or assigns, of any major new installation within the Easement Property prior to such installation.

It is understood that Grantee may use the Facilities installed under this Easement for any type of voice service only and the rights granted herein shall specifically exclude delivery of internet/data services and/ or video/television services or telecommunications services other than voice service by Grantee. In addition to enforcement by Grantor, this provision may be enforced at law or in equity (including the right to specific performance and/or injunctive relief) by SONOC

Company, LLC, a Delaware limited liability company, its successors or assigns, who is an intended third party beneficiary of this provision.

Grantor reserves the right and privilege to use and occupy and to grant to others the right to use and occupy the surface and air space over the Easement Property for any purpose which is not inconsistent with the rights herein granted to Grantee and which does not interfere with Grantee's use of the Easement Property, including, without limitation, the installation, construction, maintenance and use of paving, grass, driveway and sidewalk improvements; provided, however, that Grantor will not plant trees or install structures (other than paving, driveway, sidewalk and similar surface improvements) on top of Grantee's Facilities in the Easement Property. Notwithstanding the foregoing, if any such improvements interfere with Grantees use of the Easement Property, Grantee shall provide written notice to Grantor, or its successor or assigns, as owners of the Easement Property and, at the option of such owner, they shall remove such improvements or request Grantee to remove such improvements at owner's expense. Grantee has no obligation to relocate its Facilities within the Easement Property once installed to accommodate such improvements.

All Facilities and equipment will be installed, operated and maintained at all times beneath the surface of the Easement Property; provided that the same may be temporarily exposed or removed to the surface when necessary or desirable for the purpose of repairing and/or replacing the same, except **[RT Unit / Pedestal Facilities]**.

_____

_____ By: _____

Print Name: _____ Name: _____

_____ Title: _____

Print Name: _____

STATE OF FLORIDA }
}SS
COUNTY OF _____}

The foregoing instrument was acknowledged before me this _____ day of _____, 200___, by _____, _____ of _____, a _____, on behalf of the company.

_____
Print Name: _____
NOTARY PUBLIC
State of Florida at Large
Personally Known [ ]
or Produced I.D. [ ]
[check one of the above]
Type of Identification Produced
_____

BELLSOUTH

BellSouth Telecommunications, Inc.
Network Operations/NE Florida

Robert Suarez P. E., Director
Engineering & Construction
Suite 11AA1, 301 W. Bay Street
Jacksonville, FL 32202-5184
Robert.Suarez@BellSouth.com
Office: 904 350-2220
Fax: 904 634-1774

January 3, 2007

Richard T. Ray
Nocatee Development Company
4314 Pablo Oaks Court
Jacksonville, FL 32224

Re: Forms of Easement - Nocatee

Dear Mr. Ray:

We are in receipt of your December 13, 2006 letter to Phil Jacobs of BellSouth, attaching two proposed forms of easement to BellSouth for areas within Nocatee. The two forms are for:

(1) residential areas in Nocatee abutting public rights-of-way; and

(2) residential areas abutting private roads (for example, the Riverwood and Coastal Oaks subdivisions and, presumably, any other private subdivisions to be located within Nocatee).

You advise that you are preparing legal descriptions for both easement forms. Comments regarding each form follow.

A. It is our understanding that the easement referenced in (1) above would cover 5 foot wide areas adjacent to public rights-of-way (the "Public Areas Easement"). Your representatives, including Michael Daliberti and England Thims & Miller, have requested that BellSouth place certain facilities in these areas, including optical network units, serving terminals and equipment markers. It appears that you have used BellSouth's standard form of easement but have made various changes to it, some of which are unacceptable to BellSouth, as outlined below.

1. The easement refers to placement of "certain telecommunications wires and facilities under" the Easement Property. Please change this to refer to "communications wires and facilities under, upon, or over" the Easement Property (see discussion of the word "over" in 4 below).

2. At the bottom of page 2, you have changed the form to indicate that BellSouth may not install or relocate any equipment in the easement

areas (except customary repair or maintenance) after initial installation without written permission of the property owner. BellSouth may need to install equipment in the easement area after initial installation from time to time. BellSouth is not comfortable with a requirement for prior written permission in each instance, where easement rights have already been granted for BellSouth to use the area (that permission could be refused or not timely provided, creating problems for BellSouth to provide service, respond to customer orders in a timely manner, and the like). Accordingly, this language needs to be changed. As a middle ground, suggested alternate language follows:

Following installation of Grantee's facilities within the Easement Property, Grantee will use its best efforts to notify Grantor of any major new installations or facilities within the Easement Property prior to installation.

3. At the top of page 2, you have added a paragraph regarding Grantor's right to use the easement area for non-interfering uses, including paving and grass. Please add the following clarifying sentences at the end of the new paragraph: Notwithstanding the foregoing, if any of such improvements interfere with Grantor's use of the Easement Property, Grantee may remove them, or Grantor shall remove them promptly after notice by Grantee to Grantor to that effect. If Grantor fails to do so promptly after such notice, Grantee may do so and charge the costs therefor to Grantor. Grantee has no obligation to relocate its facilities within the Easement Property to accommodate any such improvements.

4. You have changed the form to indicate that all BellSouth equipment will be placed underground, but BellSouth will need to place aboveground equipment in the easement areas to provide service. In fact, as discussed above, your representatives have specifically requested the placement of aboveground facilities in the easement areas. So, please remove the last paragraph on page 2.

B. For the easement referenced in (2) above (the Private Easement), it is our understanding that you plan to direct the Coastal Oaks developer and Riverwood developer (Toll Jacksonville Limited Partnership and Pulte Home Corporation) and developers of other private subdivisions in Nocatee to grant to BellSouth an easement for each subdivision in the form you have provided. The Private Easement form includes the changes referenced in A. above, so BellSouth's comments apply here too. Also, the Private Easement form is restricted to voice-only services. It provides that . . . [BellSouth] may use the wires and facilities installed under this Easement for any type of voice service only and the rights granted herein shall specifically exclude delivery of internet/data services and/or video/television services or telecommunications services other than voice service by [BellSouth]. As BellSouth has previously discussed with you, this restriction is unacceptable to BellSouth.

While we understand that the parties may continue to disagree over the form of Private Easement containing the voice-only restriction, at a minimum, please provide to us a revised form of the Public Areas Easement that recognizes our comments above, so that we can work toward an acceptable Public Areas Easement to accommodate placement of BellSouth

facilities in those areas (to serve non-private developments and commercial areas). Also, we will need to review the proposed legal descriptions for the Public Areas Easement.

Sincerely,

Ronald T. Luthell

for Robert Suarez

Cc: Gary Hoffman

Nocatee
Development Co.

December 13, 2006

VIA COURIER

Mr. Phil Jacobs
President
Bellsouth Corporation
1025 Lenox Park Boulevard
Suite 6A628
Atlanta, Georgia 30319

Re: Forms of Easement

Dear Phil:

On behalf of SONOC Company, LLC, I have attached two (2) forms of easement documents for delivery to BellSouth to provide for construction and installation of BellSouth equipment in the Nocatee community. The first applies to the residential areas within Nocatee abutting public rights of way in which BellSouth has already commenced installation of lines and equipment and would apply to commercial properties within Nocatee. We are putting together the legal description for both easement forms.

The second form labeled "private" in the left hand footer would apply to residential areas abutting private roads.

As we have discussed, we are well under construction in all areas of the Nocatee community. As I have repeatedly indicated to you, it is critical that we receive your written confirmation of your agreement to provide telephone services to all of the Nocatee community prior to or coincident with unit construction as we have requested.

Absent such confirmation, we will be forced to proceed through regulatory process to obtain telephone service from BellSouth. I look forward to hearing from you as soon as possible.

Very truly yours,

NOCATEE DEVELOPMENT COMPANY

Richard T. Ray
President

Enclosure(s)

4314 Pablo Oaks Court ♦ Jacksonville, Florida 32224 ♦ (904) 992-9750 ♦ (904) 992-4114 FAX

STATE OF FLORIDA

BELLSOUTH

COUNTY OF_____

Preparer's name:

_____
_____
_____
_____

EASEMENT

For and in consideration of Ten and 00/100 dollars ($10.00) and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the undersigned owner(s) of the premises described below, hereinafter referred to as Grantor, do(es) hereby grant to **BELLSOUTH TELECOMMUNICATIONS, INC.**, a Georgia corporation, its licensees, agents, successors, assigns, hereinafter referred to as Grantee, a non-exclusive easement to construct, maintain, add, and/or remove certain telecommunications wires and facilities under the Easement Property more particularly described below and located in _____ County, Florida and to operate the telecommunications wires and facilities to deliver voice service, all on the terms more particularly set forth below. The Easement Property is more particularly described as follows:

All that tract or parcel of land lying in Section _____, Township_____, Range_____, _____ County, State of Florida, described as follows:

[Insert Description]

(the " Easement Property").

The following rights are also granted to the Grantee: the right of the Grantee to attach wires or lay cable or conduit or other appurtenances under said Easement Property for telecommunications purposes or electric power transmission or distribution to serve the telecommunications facilities; ingress and egress over said Easement Property at all times; the right, but not the obligation, with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, to clear the Easement Property and keep it cleared of all trees, undergrowth, or other obstructions; the right, but not the obligation, with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, to trim and cut and keep trimmed and cut all dead, weak, leaning or dangerous trees or limbs outside the Easement Property which might interfere with or fall upon the lines or systems of telecommunication or power transmission or distribution; with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, the right at Grantee's cost and expense to relocate said systems of telecommunications on the Easement Property to conform to any future highway relocation, widening, or improvements.

To have and to hold the above granted easement unto Grantee forever and in perpetuity. Grantor warrants that it is the fee owner of the land upon which the above described easement is granted.

There shall be no new installation and/or relocation of any lines or other improvements by Grantee within the Easement Property, after initial installation, without written permission from the Grantor or Grantor's designated successor or assign. Written permission of the Grantor or Grantor's designated successor or assign is not required by the Grantee for any Grantee customary repairs and /or maintenance of the Easement Property.

It is understood that Grantee may use the wires and facilities installed under this Easement for any type of voice service only and the rights granted herein shall specifically exclude delivery of internet/data services and/ or video/television services or telecommunications services other than voice service by Grantee. In addition to enforcement by Grantor, this provision may be enforced at law or in equity (including the right to specific performance and/or injunctive relief) by SONOC Company, LLC, a Delaware limited liability company, its successors or assigns, who is an intended third party beneficiary of this provision.

Grantor reserves the right and privilege to use and occupy and to grant to others the right to use and occupy the surface and air space over the easement area for any purpose which is not inconsistent with the rights herein granted to Grantee and which does not interfere with Grantee's use of the easement area, including, without limitation, the installation, construction, maintenance and use of paving, grass, driveway and sidewalk improvements; provided, however, that Grantor will not plant trees or install structures (other than paving, driveway, sidewalk and similar surface improvements) on top of Grantee's facilities in the easement area.

All facilities and equipment will be installed, operated and maintained at all times beneath the surface of the Easement Property; provided that the same may be temporarily exposed or removed to the surface when necessary or desirable for the purpose of repairing and/or replacing the same.

_____

_____ By:_____

Print Name: _____ Name:_____

_____ Title:_____

Print Name: _____

STATE OF FLORIDA }
}SS
COUNTY OF _____}

The foregoing instrument was acknowledged before me this _____ day of _____, 200___, by _____, _____ of _____, a _____, on behalf of the company.

_____
Print Name: _____
NOTARY PUBLIC
State of Florida at Large
Commission # _____

My Commission Expires:
Personally Known [ ]
or Produced I.D. [ ]
[check one of the above]
Type of Identification Produced

_____

STATE OF FLORIDA

BELLSOUTH

COUNTY OF_____

Preparer's name:

_____
_____
_____
_____

EASEMENT

For and in consideration of Ten and 00/100 dollars ($10.00) and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the undersigned owner(s) of the premises described below, hereinafter referred to as Grantor, do(es) hereby grant to **BELLSOUTH TELECOMMUNICATIONS, INC.**, a Georgia corporation, its licensees, agents, successors, assigns, hereinafter referred to as Grantee, a non- exclusive easement to operate, construct, maintain, add, and/or remove certain telecommunications wires and facilities under the Easement Property more particularly described below and located in _____ County, Florida, all on the terms more particularly set forth below. The Easement Property is more particularly described as follows:

All that tract or parcel of land lying in Section _____, Township_____, Range_ _____, _____ County, State of Florida, described as follows:

[Insert Description]

(the " Easement Property").

The following rights are also granted to the Grantee: the right of the Grantee to attach wires or lay cable or conduit or other appurtenances under said Easement Property for telecommunications purposes or electric power transmission or distribution to serve the telecommunications facilities; ingress and egress over said Easement Property at all times; the right, but not the obligation, with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, to clear the Easement Property and keep it cleared of all trees, undergrowth, or other obstructions; the right, but not the obligation, with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, to trim and cut and keep trimmed and cut all dead, weak, leaning or dangerous trees or limbs outside the Easement Property which might interfere with or fall upon the lines or systems of telecommunication or power transmission or distribution; with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, the right at Grantee's cost and expense to relocate said systems of telecommunications on the Easement Property to conform to any future highway relocation, widening, or improvements.

To have and to hold the above granted easement unto Grantee forever and in perpetuity. Grantor warrants that it is the fee owner of the land upon which the above described easement is located.

There shall be no new installation and/or relocation of any lines or other improvements by Grantee within the Easement Property, after initial installation, without written permission from the Grantor or Grantor's designated successor or assign. Written permission of the Grantor or Grantor's designated successor or assign is not required by the Grantee for any Grantee customary repairs and /or maintenance of the Easement Property.

Grantor reserves the right and privilege to use and occupy and to grant to others the right to use and occupy the surface and air space over the easement area for any purpose which is not inconsistent with the rights herein granted to Grantee and which does not interfere with Grantee's use of the easement area, including, without limitation, the installation, construction, maintenance and use of paving, grass, driveway and sidewalk improvements; provided, however, that Grantor will not plant trees or install structures (other than paving, driveway, sidewalk and similar surface improvements) on top of Grantee's facilities in the easement area.

All facilities and equipment will be installed, operated and maintained at all times beneath the surface of the Easement Property; provided that the same may be temporarily exposed or removed to the surface when necessary or desirable for the purpose of repairing and/or replacing the same.

_____

_____ By:_____

Print Name: _____ Name:_____

_____ Title:_____

Print Name: _____

STATE OF FLORIDA }
}SS
COUNTY OF _____}

The foregoing instrument was acknowledged before me this _____ day of _____, 200__, by _____, _____ of _____, a _____, on behalf of the company.

_____
Print Name: _____
NOTARY PUBLIC
State of Florida at Large
Commission # _____
My Commission Expires:
Personally Known [ ]
or Produced I.D. [ ]
[check one of the above]
Type of Identification Produced
_____

Liebman, Sharon

From: M. Lynn Pappas [lpappas@papmet.com]

Sent: Thursday, September 28, 2006 10:58 AM

To: Liebman, Sharon ; Jacobs, Phil

Subject: Nocatee service

Sharon, I was able to talk to Rick Ray this morning about your call and requests for an easement document. As you may know there have been a number of meetings between BellSouth reps and Nocatee reps on the construction and development timetable for the Nocatee project and for the delivery of Bellsouth telephone service throughout the Nocatee community. It is our intention that BellSouth have complete access to install facilities and to market and provide all services throughout the non-private communities. Within the private communities, we want BellSouth to provide telephone service, but BellSouth has raised several issues regarding such service. To resolve these matters and provide the necessary easements, Rick Ray would like to pursue this discussion on the business issues and has called Phil Jacobs to set up a meeting in the near future to further these discussions. Until Mr. Ray and Mr. Jacobs have had an opportunity to meet on this issue, it would be premature to circulate any draft easements.

Confidentiality Notice: The material in this transmission is intended only for the use of the individual to whom it is addressed and may contain information that is confidential. If you have received this transmission in error, please immediately notify us by return e-mail (Lpappas@papmet.com) or telephone (904-353-1980) to arrange for the return of this material to us. Thank you.

Liebman, Sharon

From: Diane G. Frederick [dfrederick@papmet.com] on behalf of M. Lynn Pappas [lpappas@papmet.com]
Sent: Tuesday, September 26, 2006 9:12 AM
To: Liebman, Sharon
Subject: BellSouth Form Easement

Sharon:

After listening to your voice mail last evening, I confirmed with Rick that in your phone conversation he indicated that if the document was ready to be forwarded it would be sent Friday or Monday. At this point, we do not have the document in final form, but we will provide it to you as soon as it is available. I simply wanted to clarify so there was no misunderstanding.

Confidentiality Notice: The material in this transmission is intended only for the use of the individual to whom it is addressed and may contain information that is confidential. If you have received this transmission in error, please immediately notify us by return email (lpappas@papmet.com) or telephone Diane Frederick at (904) 353-1980 to arrange for the return of this material to us. Thank you.

Liebman, Sharon

From: M. Lynn Pappas [lpappas@papmet.com]
Sent: Monday, September 25, 2006 5:19 PM
To: Liebman, Sharon
Cc: rray@parcgroup.net

Sharon I just got back into the office from meetings out all afternoon. We are working with our client on the form of the easement and will have it to you as soon as we are able to complete the discussions with Rick and his group. I understand that you communicated with Rick directly last weeking requesting that the form be delivered at a specific time but neither he nor I understand that nature of the deadline you refer to. Can you please elaborate. Thanks.

Confidentiality Notice: The material in this transmission is intended only for the use of the individual to whom it is addressed and may contain information that is confidential. If you have received this transmission in error, please immediately notify us by return e-mail (Lpappas@papmet.com) or telephone (904-353-1980) to arrange for the return of this material to us. Thank you.

Liebman, Sharon

From: Richard T. Ray [rray@parcgroup.net]
Sent: Monday, September 25, 2006 2:50 PM
To: Liebman, Sharon
Subject: Nocatee Easements

Sharon:

I have referred your request to our attorney who has been working to prepare the form of easement. Please feel free to call her directly. I have called Lynn and told her that she may hear from you.

Lynn Pappas
Pappas, Metcalf, Jenks and Miller
904-353-1980

Also, I am in the process of setting up a meeting to discuss various issues with the Bellsouth business representatives.
Thank you.

Richard T. Ray
(904) 992-9750

BELLSOUTH

BellSouth Telecommunications, Inc
Network Operations / NE Florida

David R. Murray
Director
Planning & Provisioning
Suite 11AA1
Jacksonville, FL. 32202
Office: 904-350-2220
Fax: 904 634-1774

July 19, 2006

VIA E-MAIL AND FEDERAL EXPRESS
rray@parcgroup.net

Richard Ray
The PARC Group
4314 Pablo Oaks Court
Jacksonville, Florida 32224

Re: Nocatee Development

Dear Mr. Ray:

As you may be aware, your consultant, Mr. Knasel, has recently communicated with Ronnie Luttrell of BellSouth regarding BellSouth service to the Nocatee development. Mr. Knasel informed Mr. Luttrell that your company and/or the homeowners' association had entered into an agreement with Comcast relative to communications services at the development but noted that your company would like BellSouth to provide services (voice and data) at the development.

Mr. Luttrell requested that your company provide a letter to BellSouth expressing the above and explaining the nature of the agreement(s) with Comcast. Mr. Knasel advised that such a letter would be forthcoming, but we have not yet received the letter. Please provide the letter to us as soon as possible, as BellSouth requires the requested information to make provisioning decisions for Nocatee (initially, for first several phases where we understand residents will be moving-in early next year).

In the letter, please address the following:

- Please confirm Mr. Knasel's statements about requested BellSouth service, referenced in the first paragraph above.
- Please confirm that the anticipated first move-in date for residents is early next year and that the first several phases with this expected move-in date include about 1,000 units. If you can offer a more specific move-in date by phase, please do so.
- Are the agreement(s) with Comcast bulk agreements and, if so, which services do they include?
- Are the agreement(s) with Comcast exclusive marketing agreements and, if so, which services do they include?
- If the agreement(s) are a different type of agreement(s), please advise as to the nature of the agreement(s).
- If they are exclusive marketing agreement(s), what type of marketing will be done on Comcast's behalf and how will the agreement(s) affect/limit BellSouth's ability to market its services on site to customers (if at all)?
- We assume that the agreement(s) and any easements on the property do not provide for any exclusivity for provision of certain communications services by Comcast, such that BellSouth will be able to offer any services that it desires to offer (e.g. voice, video or data). Please confirm this assumption in your letter or inform us if it is inaccurate.
- BellSouth requires information about the easements and rights-of-way within Nocatee that BellSouth may use to place cables and related equipment. If the easements will be platted, please provide copies of the plat(s) to us. If public rights-of-way will be available, please let us know,

and provide to us documentation showing the rights-of-way. If final plat(s) are not yet available, please provide to us copies of the proposed plat(s) and advise when final plat(s) are expected.

- Will your company place conduit for BellSouth's drop wire on individual residential lots? Mr. Knasel had previously verbally informed us that this conduit would be placed for BellSouth's use.

Also, please understand that your company will need to place conduit crossings under paved roads for BellSouth cable that may be placed to serve the development. Mr. Luttrell, who is copied on this letter, can provide additional information about BellSouth's conduit needs.

We look forward to hearing back from you.

Sincerely,

Ronnie Luttrell

for David Murray

Cc: Don Knasel, Network Services Consultant, The Broadband Group (via e-mail, dknasel@broadbandgroup.com)
Ronnie Luttrell

RECEIVED
JUL 24 2006
LEGAL DEPARTMENT
South Florida Area

Jacobs, Phil

From: Richard T. Ray [richardtray@yahoo.com]
Sent: Thursday, April 13, 2006 6:37 PM
To: Jacobs, Phil
Subject: Fwd: FW: Bellsouth Agreement

Phil - Below is the email Lynn just sent to me. I asked her to send it to my home email so I can have access over the weekend.

I have not reviewed these comments - you'll be reading them as I am.

Please keep in mind that we circulated multiple drafts back in October and were very close to completion at that time. With your help, I am confident that we can get a document ready for signature on Monday.

Regards,
Rick
--- "M. Lynn Pappas" <lpappas@papmet.com> wrote:

> Subject: FW: Bellsouth Agreement
> Date: Thu, 13 Apr 2006 16:59:14 -0400
> From: "M. Lynn Pappas" <lpappas@papmet.com>
> To: <richardtray@yahoo.com>
>
>
>
>
> Confidentiality Notice: The material in this
> transmission is intended
> only for the use of the individual to whom it is
> addressed and may
> contain information that is confidential. If you
> have received this
> transmission in error, please immediately notify us
> by return e-mail
> (Lpappas@papmet.com <mailto:Lpappas@papmet.com) or>
>) or telephone
> (904-353-1980) to arrange for the return of this
> material to us. Thank
> you.
> -----Original Message-----
> From: M. Lynn Pappas
> Sent: Thursday, April 13, 2006 3:31 PM
> To: Rick Ray (rray@parcgroup.net); Don Knasel
> (dknasel@pdactive.com)
> Subject: Bellsouth Agreement
>
>
> Without the benefit of our having covered all of the revisions to the

> Bellsouth Agreement second revision I have taken a
> stab at accepting
> those changes that I think are noncontroversial. If
> you are agreeable
> as soon as I have a document I can forward I will
> send it to both of you
> and Mary Keyer with the caveat that you may have
> issues with what I have
> incorporated in addition to the remaining open items
> since we have not
> had an opportunity to compare notes on some of these
> items. Section
> references are to our version.
>
> Accordingly after my revisions I list the following
> items as open. I am
> ignoring non substantive style changes or things
> that to me seem
> inconsequential. They may see my assessment
> differently:
>
> 1. Section 2--- They have made our cross default
> and termination
> provisions for the Agreements reciprocal so they now
> get to default both
> agreements if we default in either one. I had not
> offered that as our
> defaults (marketing exclusivity, provisions in
> builder agreements and
> HOA payment of money) are all remedied by specific performance. It
> also complicates the issue of builder default that is not
> our default. To
> the contrary their defaults in service delivery may
> be impossible to
> cure.
>
> 2. Section 5.1 -- The service quality standard for installation they
> have suggested is limited to what is commercially
> available "from
> Bellsouth" in the Jacksonville Region. This seems
> to contradict the
> state of the art.
>
> 3. Section 5.3 --They have neutered the set top box requirement so as
> to be meaningless.
>
> 4. Section 5.4--The shadow conduit provisions have
> been revised so that
> they only install until we terminate the video
> portion for failure to
> deliver the IPTV. We had it ongoing until IPTV
> operational so it would
> be for the term of the Agreement until the IPTV came
> on line if ever.
>

> 5. Section 5.5--here and in a number of places they
> have limited their
> obligations for the Property "that is located in the Bellsouth service
> area". I do not understand this but it may be their
> attempt to address
> their obligations if they do not get the franchise
> for Duval. Rick given
> the timing of the construction in Duval it seems
> that we should get some
> explanation of their timing with and without the
> statewide franchise.
> Realistically given the construction timetable even
> though we have a
> right to terminate for the inability to get the
> Duval franchise by Jan 1
> 2007, that is a poor remedy given the need to start
> over with another
> provider.
>
> 6. Section 5.6--they want mutual agreement on the
> delivery date. I just
> put in the 180 day notice and left in the
> requirement to give notice if
> they allege a builder delay delays them. In that
> same section we kept
> the concept of delivery being related to all
> Residences.
>
> 7. Section 5.7 State of the Art--We did not accept
> their changes
> eliminating any upgrade requirement due to trenching
> issues or if they
> got paid to provide it elsewhere. They also appear
> to be eliminating
> Apartments from any upgrade requirement.
>
> 8. Section 5. They have deleted Apartments from
> the payment structure
> for Door Fees or Commissions. They have also
> limited the payment
> obligation to BST not Bellsouth. They want to be
> obligated to pay us
> only if they have the necessary easements so if some
> builder blocks them
> in violation of an agreement we lose the fees.
>
> 9. Section 5.9.4 They apply fees to "recurring"
> revenues? They apply
> fees only to voice lines but then in the Exhibit
> appear to apply it to
> cell voice??? They want to exclude "applicable
> fees" without
> qualification "paid to governments".
>
> 10. Section 5.9.6--They made the right to audit

> records reciprocal.
> This seems silly in that all we have to provide is information about
> closed units. There is not anything to audit from
> us. We aren't even
> the closing parties. They object to reimbursing for
> the audit if they
> underpay.
>
> 11. Section 5.9.7--This is the whole added Section
> that allows them to
> renegotiate the fees if the Project does not meet an
> agreed upon
> absorption schedule. This is in addition to the
> penetration rate
> reductions.
>
> 12. Section 5.11 --They want termination to be your
> only remedy for
> failure to get the Duval Franchise. We were not
> specific although later
> exclusion of all consequential damages would leave
> you only with actual
> damages(?) and specific performance (not likely
> unless it was a money
> issue for them) neither of which is very helpful.
> Keep in mind we do
> not have the right to terminate only in Duval
> County.
>
> 13. Section 5.12-- It appears they want us
> obligated to attend any
> construction meetings that they are obligated to
> attend. We had set it
> up so that they would be obligated to the builders independently since
> it is not likely we would be engaged at that level.
>
> 14. Section 6-- They want to move all the HOA
> provisions. I have not
> done this yet because it messes up the Agreement so
> much and I don't
> have time to do all the proofing. I am also
> concerned how this affects
> our remedies if the Bulk Data Agreement winds up
> being only with BSI.
> We would then have only the termination remedy in
> the cross default and
> no cause of action against BEI for default but that
> may not matter.
>
> 15. Section 6.5--They want us to agree not to amend
> the Declaration in
> any manner adverse to them. That may be a language
> issue that I can
> still work on. The bigger issue is that they want
> you obligated to put

> all the land in the Master Association to give them
> the benefit of the
> exclusive and stuff . We may have other reasons to
> pull land out of
> Nocatee. I think we could resolve this by agreeing
> to make the land
> subject to the terms of a separate Bulk agreement
> and the terms
> otherwise applicable to the Service Agreement.
> Telling us what to do
> with our Association structure is tail wagging dog.
> Even this
> suggestions means if you decided the change the
> project boundaries you
> would make all of the Nocatee land subject to this
> agreement.
>
> 16. Section 6.6 -- If the HOA turnover before the
> 10 year term and
> terminates the Bulk Agreement they get to
> renegotiate the marketing fees
> and other terms of the Agreement.
>
> 17. Section 7.2--They deleted a restriction on
> assigning our seat on an
> Oversight Committee????
>
> 18. Section 7.3--They want exclusive easements as
> to apartments. It
> was my understanding that this is not allowed in
> Multifamily attached
> units where wiring comes into the structure but I
> may be confused.
>
> 19. Section 7.7--If the builders or apartment guys
> default in
> obligations under the Agreement they want to have
> the right to terminate
> this Agreement and the Bulk Data Agreement or to
> renegotiate the terms.
> We gave them direct remedies against the builders
> and an assignment of
> any cause of action that we have.
>
> 20. Section 7. 11.1 (new) I did not add their
> section for an easement
> on any portion of the Property to "market "services
> and to conduct
> customer satisfaction surveys. They want this as a
> blanket easement
> along with a blanket easement for installation.
> All we have ever
> contemplated is contractual obligation to grant the
> easement for
> installation and service as they need to install

> facilities and the
> contractual rights about marketing. I can't see
> creating an estate in
> land encumbering on a blanket basis our buyer's
> property so that they
> can solicit. Even the blanket for installation is
> meeting increasing
> resistance from buyer's and lenders since they want
> to know precisely
> where the easements will go. Seems to me that on
> the solicitation they
> just need to have a reasonable approach to access
> that the builders
> accept but the builders need to control the access.
> On the blanket for
> installation they can enforce the contractual
> easement right and we have
> a duty to bind builders and apartments so there will
> be no BFP.
>
> 21. Section 11-- They revised the indemnity to be
> reciprocal only for
> gross negligence or willful misconduct. Since it is
> just another way to
> get at a money default I say delete it but for the
> indemnity from them
> to us as to property owner claims. In that case they
> want to limit the
> indemnity to claims related to tariff obligations.
>
> 22. Section 12-- They want to self insure --Do we
> care? DO we want to ?
>
> 23. Section 16. We had their remedy to terminate
> as a sole remedy if
> we assign our part of the deal to a competitor--like
> a developer that
> has an affiliate in the telecommunications business.
> I can't figure
> why?
>
> 24. Section 20. They still want to delete our force
> majeure exclusions
> as to the delivery dates and leave in 'beyond their reasonable
> control.
>
> 25. Section 22 They deleted our statement that we
> are not liable for
> defaults of builders or apartment developers. This
> relates to their
> desire to terminate or renegotiate for such
> defaults.
>
> 26. Section22- (new) they have added a statement
> that BSI and BEI

> obligations are joint and several. It is confusing
> to me since we have
> always seen this as monolithic. If we have cross
> default then our issue
> is that we cannot get damages against one for the
> default of another.
> Since the obligations are subject to regulatory
> authorization I would
> not think that we can enforce any obligations of one
> against the other
> if they do not have the proper franchise so it may
> not matter. I need
> to think about it.
>
> 27. Section 22- They want any remedy related to
> service issues--to be
> governed solely by the FCC and tariff processes (ie,
> customer
> complaints). I do not see how that leaves us any
> remedy (even
> termination) if the service quality does not meet
> the requirements of
> the Agreement. This seems to contradict our whole
> concept of
> enforcement and protection.
>
> 28. Section 23-- They have made inability to
> perform by ''Commercially
> impracticable" leaving either party the sole remedy
> to terminate. So
> this means if they have a service problem as to
> state of the art other
> delivery issue they can just terminate the
> agreement. We had excluded
> those elements of the agreement from this provision.
>
> 29. Please read all of the Exhibits. They are not
> long and they have
> changed a bunch of the marketing stuff that I cannot
> tell if it matters
> or not.
>
> 30. Their added license agreement looks ok to me
> although we need to be
> able to assign it to a Sonoc Successor or Sonoc
> Permitted Assignee.
> Practically speaking you should get some indication
> of how this works in
> the real world related to your marketing objectives
> to make sure that it
> is not too cumbersome.
>
> I am sending this mail in advance of my revision to
> their revision. You
> can wait to review or if you want a jump start you

> should be able to
> follow my points by looking at the revised Mary
> Keyer second revision
> which we got on April 7 or 8.
>
>
>
>
>
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>
>
>
> Confidentiality Notice: The material in this
> transmission is intended
> only for the use of the individual to whom it is
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> (904-353-1980) to arrange for the return of this
> material to us. Thank
> you.
>
>

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Nocatee
Development Co.

June 8, 2006

Mr. Phil Jacobs
President, Community Technologies
Bellsouth Corporation
1025 Lenox Park Boulevard
Suite 6A62B
Atlanta, Georgia 30319

Dear Phil:

I'm sure you have been notified by Bill Story of our decision to proceed with Comcast at Nocatee. This was a very difficult decision for all of us, and I am very disappointed that we were not able structure something that worked for both the development and Bellsouth.

I believe in your technology and there is no doubt in my mind that it would have differentiated our project from all others in the area. But while we could quantify the reward, we couldn't quantify the risk of having a short-term problem during the IPTV rollout. The risk was mitigated with a backup coax system in the ground, but I understand that the cost of that system would have been difficult for Bellsouth to bear under the circumstances.

Since early 2005, we worked closely with your team – Bill, Lyn and Dale – and we appreciate their efforts in problem solving and helping us get this far. I'm personally disappointed that I will not have the opportunity to continue working with them.

Thank you again for your personal involvement in Nocatee, and I hope we have the opportunity to work together in the future.

Best regards,

Richard T. Ray
President

4314 Pablo Oaks Court ♦ Jacksonville, Florida 32224 ♦ (904) 992-9750 ♦ (904) 992-4114 FAX

Butler, Ann W

From: linda jones [ljones537@hotmail.com]
Sent: Tuesday, February 06, 2007 1:49 PM
To: Hoffman, Gary
Subject: FW: Riverwood Bellsouth
Attachments: Sheet2-Caption.pdf; Sheet14.pdf; Sheet25.pdf

Linda Jones
Right of Way Agent
Truevance Management, Inc.
2783 Segrest Road
Pace, Florida 32571
850-994-6467
Fax: 850-994-4057

Subject: Riverwood Bellsouth
Date: Mon, 22 Jan 2007 14:08:53 -0500
From: MADIGANA@rmaainc.com
To: jrl99@bellsouth.net

Here are the plat sheets you requested. If you have any questions, please call me or Kathy Wade.

Thanks,
Amanda Madigan
CADD Technician
Robert M. Angas Associates, Inc.
14775 Old St. Augustine Road
Jacksonville, FL 32258
Tel: 904-642-8550
Tel: 904-470-3815 (direct)

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RIVERWOOD BY DEL WEBB ~ PHASE 1

A PORTION OF SECTIONS 4, 5, 8 AND 9, TOGETHER WITH A PORTION OF SECTION 39 OF THE HANNAH SMITH GRANT, SECTION 62 OF THE WILLIAM TRAVERS GRANT, SECTION 63 OF THE F. P. SANCHEZ GRANT, AND SECTION 65 OF THE WILLIAM TRAVERS GRANT, ALL LYING IN TOWNSHIP 5 SOUTH, RANGE 29 EAST, ST. JOHNS COUNTY, FLORIDA.

MAP BOOK PAGE
SHEET 2 OF 34 SHEETS

ADOPTION AND DEDICATION

THIS IS TO CERTIFY THAT PULTE HOME CORPORATION, A MICHIGAN CORPORATION ("OWNER"), IS THE LAWFUL OWNER OF THE LANDS DESCRIBED IN THE CAPTION SHOWN HEREON WHICH SHALL HEREAFTER BE KNOWN AS RIVERWOOD BY DEL WEBB ~ PHASE 1, AND THE "OWNER" HAS CAUSED THE SAME TO BE SURVEYED AND SUBDIVIDED AND THAT THIS PLAT, MADE IN ACCORDANCE WITH SAID SURVEY, IS HEREBY ADOPTED AS THE TRUE AND CORRECT PLAT OF SAID LANDS.

ALL RIGHTS OF WAY, DRIVES, COURTS, CIRCLES, BOULEVARDS, ROADS, TRAILS, PARKWAYS, LANES, AND TRACTS A1, A2, A3, A4, A5, A6, A7, A8, A9, A10, A11, A12, A13, A14, A15, A16, A17, A18, A19, A20, A21, A22, A23, A24, A25, A26, A27, A28 AND A29 (COMMON AREA), TRACTS B1, B2, B3, B4, B5, B6, B7, B8, B9, B10, B11, B12, B13, B14, B15, B16, B17, B18, B19, AND B20 (STORMWATER MANAGEMENT FACILITIES), TRACTS C1, C2, C3, C4, C5, C6, C7, C8, C9, C10, C11, C12, C13, C14, C15, C16, C17, AND C18 (CONSERVATION EASEMENTS), TRACTS D1 AND D2 (AMENITY AREA), TRACT F1 (CONDOMINIUM AREA), AND TRACTS FD1 AND FD2 (FUTURE DEVELOPMENT AREAS) TOGETHER WITH ALL PRIVATE DRAINAGE EASEMENTS AND DRAINAGE, ACCESS AND MAINTENANCE EASEMENTS, ARE HEREBY RETAINED BY THE "OWNER", ITS SUCCESSORS AND ASSIGNS; PROVIDED HOWEVER, THE "OWNER" RESERVES THE RIGHT TO CONVEY TITLE TO SAID TRACTS TO AN ENTITY, INCLUDING WITHOUT LIMITATION, A PROPERTY OWNERS' ASSOCIATION, A MUNICIPAL SERVICES TAXING UNIT, COMMUNITY DEVELOPMENT DISTRICT, OR OTHER SUCH ENTITY AS WILL ASSUME ALL OBLIGATION OF MAINTENANCE AND OPERATION THEREOF UNDER THE PLAT.

THE "OWNER", ITS SUCCESSORS AND ASSIGNS, HEREBY GRANTS TO THE PRESENT AND FUTURE OWNERS OF THE LOTS SHOWN ON THIS PLAT AND ITS SUCCESSORS AND ASSIGNS, GUESTS, INVITEES, DOMESTIC HELP, DELIVERY, PICK-UP AND FIRE PROTECTION SERVICE PROVIDERS, POLICE AND OTHER AUTHORITIES OF THE LAW, UNITED STATES POSTAL CARRIERS, REPRESENTATIVES OF THE UTILITIES AND TELECOMMUNICATION COMPANIES AUTHORIZED BY SAID OWNER IN WRITING TO SERVE THE LAND SHOWN HEREON, HOLDERS OF MORTGAGE LIENS ON SUCH LANDS AND SUCH OTHER PERSONS AS MAY BE DESIGNATED, THE NON-EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS OVER AND ACROSS PRIVATE ROADWAYS SHOWN ON THIS PLAT. THE "OWNER", ITS SUCCESSORS AND ASSIGNS, RESERVES AND SHALL HAVE THE UNRESTRICTED AND ABSOLUTE RIGHT TO DENY INGRESS TO ANY PERSON WHO MAY CREATE OR PARTICIPATE IN A DISTURBANCE OR NUISANCE ON ANY PART OF THE LANDS SHOWN HEREON.

ALL EASEMENTS SHOWN ON THIS PLAT, OTHER THAN THOSE SPECIFICALLY DEDICATED HEREIN, ARE AND SHALL REMAIN PRIVATELY OWNED AND THE SOLE AND EXCLUSIVE PROPERTY OF THE "OWNER", ITS SUCCESSORS AND ASSIGNS, IF ANY, OF SAID EASEMENTS. THE "OWNER" RETAINS THE OBLIGATION FOR MAINTENANCE OF ALL EASEMENTS SHOWN ON THIS PLAT FOR DRAINAGE OR LANDSCAPE PURPOSES; PROVIDED HOWEVER, THE "OWNER" RESERVES THE RIGHT TO ASSIGN THE OBLIGATION FOR MAINTENANCE OF SAID EASEMENTS TO A PROPERTY OWNERS' ASSOCIATION OR OTHER SUCH ENTITY AS WILL ASSUME ALL OBLIGATION OF MAINTENANCE AND OPERATION THEREOF UNDER THE PLAT.

THE "OWNER", ITS SUCCESSORS AND ASSIGNS HEREBY RESERVES AND SHALL HAVE THE SOLE AND ABSOLUTE RIGHT AT ANY TIME WITH THE CONSENT OF THE COUNTY OF ST. JOHNS TO DEDICATE TO THE PUBLIC ALL OR PART OF THE LANDS ON THIS PLAT DESIGNATED AS ROADWAY INCLUDING ALL UNOBSTRUCTED EASEMENTS FOR DRAINAGE.

TRACTS G1 AND G2 (LIFT STATION) ARE HEREBY IRREVOCABLY AND WITHOUT RESERVATION DEDICATED TO JEA, ITS SUCCESSORS AND ASSIGNS.

THE "OWNER", ITS SUCCESSORS AND ASSIGNS, HEREBY IRREVOCABLY AND WITHOUT RESERVATION DEDICATES TO JEA, ITS SUCCESSORS AND ASSIGNS, EASEMENTS FOR SERVICE AND MAINTENANCE OF THE WATER AND SEWER SYSTEMS WITHIN THE PRIVATE RIGHTS OF WAY AS SHOWN ON THIS PLAT.

THOSE EASEMENTS DESIGNATED AS "JEA-UE", ALONG WITH ANY AND ALL EASEMENTS SHOWN ON THIS PLAT FOR WATER, SEWER, OR ACCESS ARE HEREBY IRREVOCABLY AND WITHOUT RESERVATIONS DEDICATED TO JEA, ITS SUCCESSORS AND ASSIGNS; HOWEVER, THE "OWNER" DOES HEREBY RESERVE TO ITSELF, ITS SUCCESSORS AND ASSIGNS, AN EASEMENT FOR INGRESS AND EGRESS OVER ANY ACCESS EASEMENTS SHOWN ON THIS PLAT. IN ADDITION, ANY UTILITY EASEMENTS SHOWN ON THIS PLAT SHALL ALSO BE EASEMENTS FOR THE CONSTRUCTION, INSTALLATION, MAINTENANCE, AND OPERATION OF CABLE TELEVISION SERVICES IN THE MANNER AND SUBJECT TO THE PROVISIONS OF SECTION 177.091(28) OF THE CURRENT FLORIDA STATUTES; HOWEVER, ONLY CABLE TELEVISION SERVICE PROVIDERS SPECIFICALLY AUTHORIZED BY THE "OWNER", ITS SUCCESSORS AND ASSIGNS, TO SERVE THE LANDS SHOWN ON THIS PLAT, SHALL HAVE THE BENEFIT OF SAID CABLE TELEVISION SERVICE EASEMENTS.

THOSE EASEMENTS DESIGNATED AS "FPL EASEMENTS" ARE HEREBY IRREVOCABLY DEDICATED TO FLORIDA POWER AND LIGHT, ITS SUCCESSORS AND ASSIGNS, FOR ITS NON-EXCLUSIVE USE IN CONJUNCTION WITH ITS UNDERGROUND ELECTRICAL SYSTEM.

IN WITNESS WHEREOF, THE "OWNER" HAS CAUSED THIS PLAT AND DEDICATION TO BE EXECUTED BY ITS DULY ELECTED OFFICERS, ACTING BY AND WITH THE AUTHORITY OF ITS BOARD OF DIRECTORS.

OWNER: PULTE HOME CORPORATION
A MICHIGAN CORPORATION

BY: _____
SHAWN P. BUDD
ATTORNEY-IN-FACT

_____ Witness

_____ Witness

STATE OF _____, COUNTY OF _____

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS ___ DAY OF _____ A.D., 2007, BY _____ ON BEHALF OF SAID COMPANY, AND WHO IS PERSONALLY KNOWN TO THE UNDERSIGNED AND DID NOT TAKE AN OATH, OR PRODUCE IDENTIFICATION.

MY COMMISSION EXPIRES: _____

COMMISSION NUMBER _____

_____
Notary Public, State of Florida at Large

NAME _____

CERTIFICATE OF APPROVAL—PLANNING AND ZONING DEPARTMENT

THIS IS TO CERTIFY THAT THIS PLAT OF RIVERWOOD BY DEL WEBB ~ PHASE 1, HAS BEEN EXAMINED AND APPROVED BY THE COUNTY PLANNING AND ZONING DEPARTMENT FOR ST. JOHNS COUNTY, FLORIDA, ON THIS _____ DAY OF _____ A.D., 2007.

_____
Director of Planning and Zoning

CERTIFICATE OF APPROVAL AND ACCEPTANCE BOARD OF COUNTY COMMISSIONERS

THIS IS TO CERTIFY THAT THIS PLAT OF RIVERWOOD BY DEL WEBB ~ PHASE 1, HAS BEEN APPROVED AND ACCEPTED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA ON THIS _____ DAY OF _____ A.D., 2007. THIS ACCEPTANCE SHALL NOT BE DEEMED AS REQUIRING CONSTRUCTION OR MAINTENANCE BY ST. JOHNS COUNTY OF ANY PART OF SAID SUBDIVISION.

_____
Chairman, Board of County Commissioners

CERTIFICATE OF APPROVAL—COUNTY ATTORNEY

THIS IS TO CERTIFY THAT THIS PLAT OF RIVERWOOD BY DEL WEBB ~ PHASE 1, HAS BEEN EXAMINED AND APPROVED BY THE OFFICE OF THE ST. JOHNS COUNTY ATTORNEY ON THIS _____ DAY OF _____ A.D., 2007.

_____
Office of the County Attorney

CERTIFICATE OF CLERK

THIS IS TO CERTIFY THAT THIS PLAT HAS BEEN EXAMINED AND APPROVED AND THAT IT COMPLIES IN FORM WITH THE REQUIREMENTS OF CHAPTER 177, FLORIDA STATUTES, AND IS RECORDED IN MAP BOOK _____, PAGES _____ OF THE PUBLIC RECORDS OF ST. JOHNS COUNTY, FLORIDA ON THIS _____ DAY OF _____ A.D., 2007.

_____
Clerk of the Circuit Court

CERTIFICATE OF PLAT REVIEW

THIS IS TO CERTIFY THAT THIS PLAT HAS BEEN REVIEWED FOR CONFORMITY TO FLORIDA STATUTES CHAPTER 177, PART 1, PLATTING, BY THE OFFICE OF THE COUNTY SURVEYOR FOR ST. JOHNS COUNTY, FLORIDA, ON THIS _____ DAY OF _____ A.D., 2007.

_____
Gail Oliver, P.S.M., County Surveyor
Professional Land Surveyor and Mapper
License Number 4564

CERTIFICATE OF SURVEYOR

KNOW ALL MEN BY THESE PRESENTS, THAT THE UNDERSIGNED, BEING CURRENTLY LICENSED AND REGISTERED BY THE STATE OF FLORIDA AS A PROFESSIONAL SURVEYOR AND MAPPER, DOES HEREBY CERTIFY THAT THE ABOVE PLAT WAS PREPARED UNDER HIS OR HER DIRECTION AND SUPERVISION, AND THAT THE PLAT COMPLIES WITH ALL OF THE SURVEY REQUIREMENTS OF CHAPTER 177, PART 1, PLATTING, CURRENT FLORIDA STATUTES.

SIGNED AND SEALED THIS _____ DAY OF _____ A.D., 2007.

_____
JOSEPH LESLIE REYNOLDS, III
Professional Surveyor and Mapper, Florida Certificate No. 5517
ROBERT M. ANGAS ASSOCIATES, INC.
14775 St. Augustine Road
Jacksonville, Florida, 32258
Certificate of Authorization Number LB 3624

PREPARED BY:
ROBERT M. ANGAS ASSOCIATES, INC.
14775 OLD ST. AUGUSTINE ROAD
JACKSONVILLE, FL 32258 (904) 642-8550
CERTIFICATE OF AUTHORIZATION NO. LB 3624

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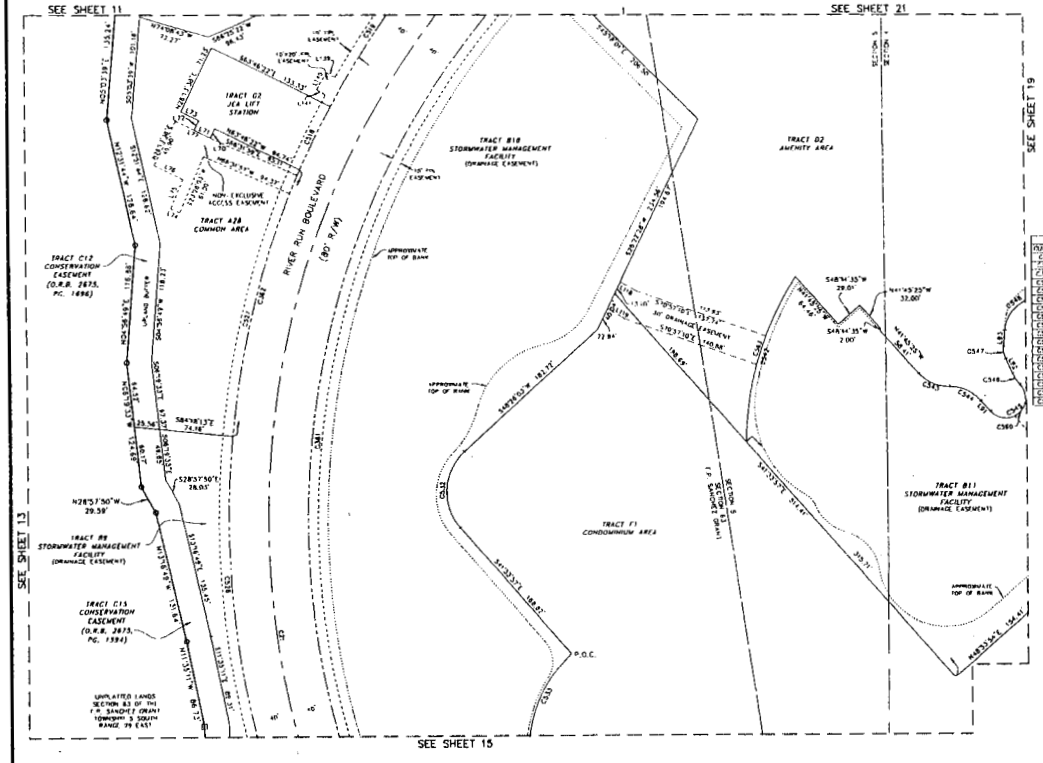
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RIVERWOOD BY DEL WEBB – PHASE 1

A PORTION OF SECTIONS 4, 5, 8 AND 9, TOGETHER WITH A PORTION OF SECTION 39 OF THE HANNAH SMITH GRANT, SECTION 62 OF THE WILLIAM TRAVERS GRANT, SECTION 63 OF THE F. P. SANCHEZ GRANT, AND SECTION 65 OF THE WILLIAM TRAVERS GRANT, ALL LYING IN TOWNSHIP 5 SOUTH, RANGE 29 EAST, ST. JOHNS COUNTY, FLORIDA.

MAP BOOK PAGE
SHEET 14 OF 34 SHEETS

GRAPHIC SCALE
(IN FEET)
1 inch = 80 ft.
SEE SHEET 3 OF 34 FOR NOTES



LINE TABLE		
LINE	BEARING	LENGTH
L10	S39°53'24.96"W	16.24
L11	N83°49'27.78"E	18.00
L12	N39°53'24.96"E	10.75
L13	N63°54'43.76"E	20.10
L14	S85°31'57.72"E	10.00
L15	S32°28'04.74"E	31.45
L16	S82°10'37.11"E	35.75
L17	S84°06'33.13"E	29.80
L18	N41°01'19.76"E	13.88
L19	S27°43'01.13"E	18.41
L20	S84°28'06.94"E	16.17
L38	S80°38'28.12"E	19.38
L39	S80°38'28.12"E	20.33
L40	N59°20'28.76"E	10.00
L41	N29°49'14.52"W	20.00
L42	N59°20'28.76"E	10.00

CURVE TABLE					
CURVE	CENTRAL ANGLE	RADIUS	ARC LENGTH	CHORD BEARING	CHORD DISTANCE
C21	100°21'26"	825.00	1444.64'	S50°48'37"E	1268.81
C36	67°33'26"	1145.00'	936.31'	S01°11'13"W	883.89
C38	18°14'46"	885.00'	275.48'	S24°19'10"W	274.30
C39	4°47'16"	885.00'	73.73'	S33°18'08"W	73.71
C39	12°58'44"	885.00'	183.88'	S24°42'39"W	183.52'
C37	16°38'55"	885.00'	249.78'	S13°37'36"W	248.53
C39	34°47'26"	885.00'	824.81'	S21°09'38"E	787.98
C33	90°00'00"	35.00'	81.81'	S69°28'03"W	78.37
C33	19°27'40"	340.00'	115.47'	S23°23'13"W	114.89
C34	32°30'30"	310.00'	175.21'	S12°26'00"W	172.89
C34	18°33'51"	40.00'	31.85'	N68°17'34"E	31.01
C34	50°14'39"	40.00'	35.07'	N68°12'03"W	33.96
C34	18°13'38"	20.00'	63.21'	N68°17'28"E	10.07
C34	18°33'51"	40.00'	12.83'	S13°03'43"E	13.84
C34	28°27'07"	25.00'	12.38'	S04°33'31"E	12.14
C34	92°29'03"	20.00'	36.69'	S58°32'39"W	30.82
C34	82°52'09"	20.00'	31.93'	N32°41'19"E	28.87
C34	32°32'24"	310.00'	34.01'	S28°32'31"W	30.02

LEGEND

○	DENOTES SET PRM, 4"x4" CM, STAMPED LB 3824 (UNLESS OTHERWISE NOTED)
●	DENOTES SET RB w/ PRM CAP, STAMPED LB 3824
■	DENOTES SET PCP, STAMPED LB 3824
PCP	PERMANENT CONTROL POINT
PRM	PERMANENT REFERENCE MONUMENT
CM	CONCRETE MONUMENT
RB	REBAR
LB	LICENSED BUSINESS NUMBER
M.B.	MAP BOOK
PG.	PAGE
P.C.	POINT OF CURVATURE
P.T.	POINT OF TANGENCY
P.O.C.	POINT ON CURVE
P.R.C.	POINT OF REVERSE CURVATURE
P.C.C.	POINT OF COMPOUND CURVATURE
P.O.	POINT OF
P.O.B.	POINT OF BEGINNING
R.P.	RADIAL POINT
Δ	CENTRAL ANGLE
R	RADIUS
L	ARC LENGTH
CB	CHORD BEARING
CH	CHORD DISTANCE
L1	TABULATED LINE DATA
C1	TABULATED CURVE DATA
R/W	RIGHT OF WAY
C/L	CENTERLINE
FPL	FLORIDA POWER AND LIGHT
JEA-UE	JEA UTILITY EASEMENT

PREPARED BY:
ROBERT M. ANGAS ASSOCIATES, INC.
14775 OLD ST. AUGUSTINE ROAD
JACKSONVILLE, FL 32258 (904) 642-8550
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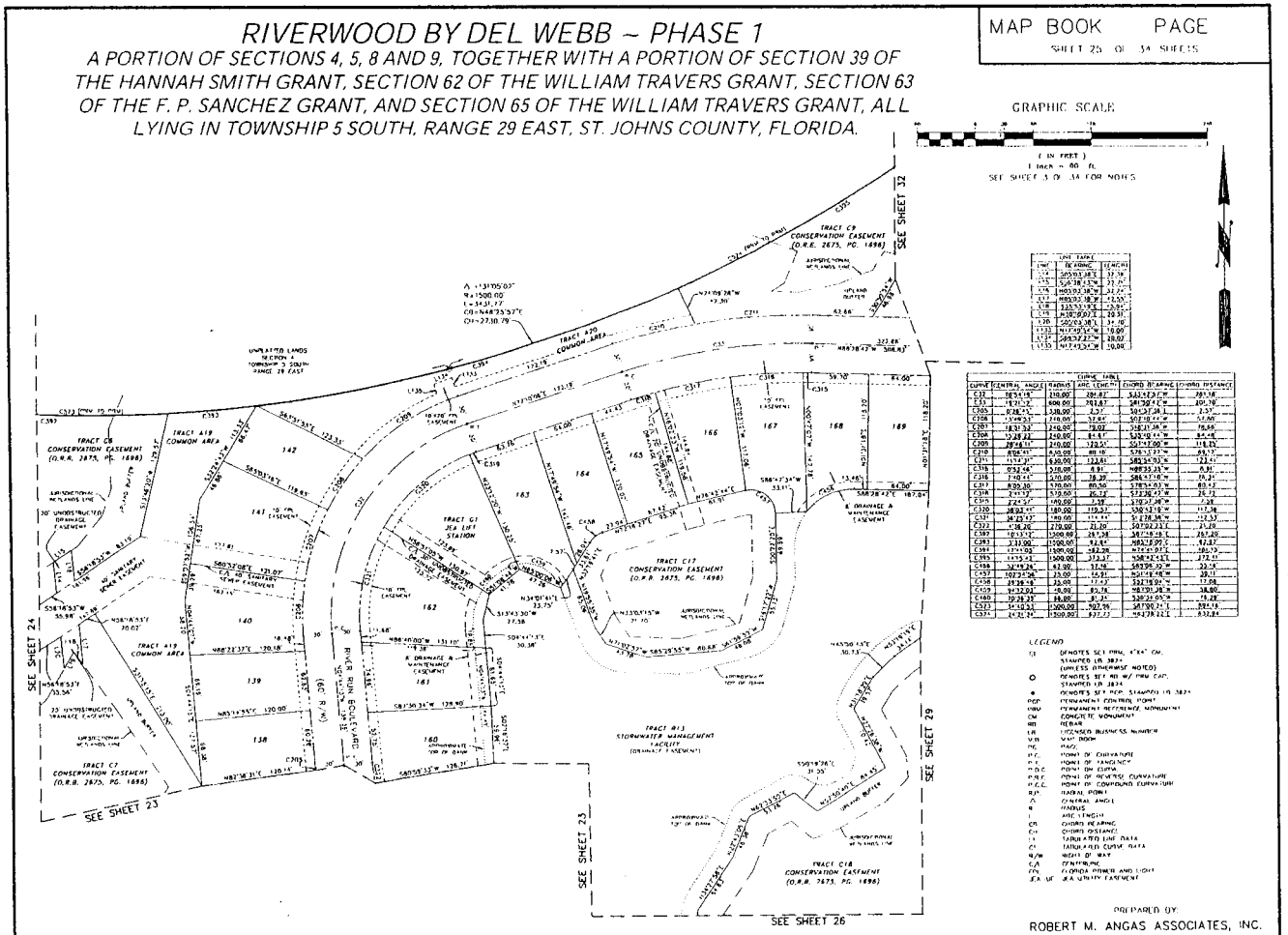
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RIVERWOOD BY DEL WEBB ~ PHASE 1

A PORTION OF SECTIONS 4, 5, 8 AND 9, TOGETHER WITH A PORTION OF SECTION 39 OF THE HANNAH SMITH GRANT, SECTION 62 OF THE WILLIAM TRAVERS GRANT, SECTION 63 OF THE F. P. SANCHEZ GRANT, AND SECTION 65 OF THE WILLIAM TRAVERS GRANT, ALL LYING IN TOWNSHIP 5 SOUTH, RANGE 29 EAST, ST. JOHNS COUNTY, FLORIDA.

MAP BOOK PAGE
SHEET 25 OF 34 SHEETS

GRAPHIC SCALE
(IN FEET)
1 inch = 80 ft.
SEE SHEET 3 OF 34 FOR NOTES



LINE TABLE		
LINE	BEARING	LENGTH
L14	S05°01'38"E	37.39'
L15	S24°38'43"W	37.71'
L16	N85°03'38"W	32.22'
L17	N85°03'38"W	43.00'
L18	S35°53'15"E	29.91'
L19	N30°00'07"E	20.31'
L20	S60°03'38"E	34.70'
L132	N17°09'26"W	10.00'
L133	S89°32'22"W	28.02'
L135	N17°49'34"W	10.00'

CURVE TABLE					
CURVE	CENTRAL ANGLE	RADIUS	ARC LENGTH	CHORD BEARING	CHORD DISTANCE
C32	38°54'19"	310.00'	284.82'	S43°43'43"W	281.98'
C33	13°31'32"	800.00'	210.87'	S61°38'47"W	210.30'
C305	8°28'14"	1,380.00'	204.00'	S65°37'38"E	203.81'
C306	15°49'33"	210.00'	57.84'	S02°18'44"W	57.66'
C307	18°31'32"	240.00'	77.62'	S18°31'38"W	76.68'
C308	12°38'22"	240.00'	84.81'	S30°50'16"W	84.48'
C309	28°46'11"	240.00'	120.54'	S01°41'00"W	119.29'
C310	8°08'41"	630.00'	89.58'	S78°13'37"W	89.51'
C311	11°34'31"	630.00'	127.31'	S83°34'03"W	127.11'
C312	0°52'46"	570.00'	8.91'	N88°32'35"W	8.91'
C316	7°40'44"	570.00'	76.39'	S86°43'18"W	76.33'
C317	8°05.30"	570.00'	80.50'	S78°54'03"W	80.43'
C318	2°45'13"	570.00'	27.37'	S73°36'27"W	27.37'
C319	2°24'57"	180.00'	7.58'	S70°37'36"W	7.58'
C320	38°02'45"	180.00'	119.51'	S50°53'19"W	117.34'
C321	36°23'43"	180.00'	114.34'	S12°28'36"W	112.43'
C322	4°38.20"	270.00'	21.20'	S07°02'23"E	21.19'
C382	10°13'17"	1500.00'	267.58'	S87°48'28"E	267.20'
C383	3°11'00"	1500.00'	83.44'	N83°18'09"E	83.33'
C384	13°19'03"	1500.00'	348.78'	N76°57'01"E	348.12'
C385	14°15'43"	1500.00'	373.37'	N89°42'43"E	372.41'
C450	32°49'24"	62.00'	35.51'	S80°39'35"W	35.04'
C451	102°31'56"	25.00'	44.91'	N01°14'48"W	39.21'
C458	39°38'48"	25.00'	17.47'	S22°18'04"W	17.08'
C459	91°32.06"	48.00'	81.74'	N83°31'38"E	34.80'
C460	10°26.35"	46.00'	81.35'	S30°31'05"W	16.28'
C573	34°40'53"	1500.00'	907.96'	S67°02'21"E	894.16'
C574	24°31'04"	1500.00'	892.23'	S54°28'22"E	885.84'

LEGEND

⊙	DENOTES SET PRM, 4"X4" CM. STAMPED LB 3674 (UNLESS OTHERWISE NOTED)
○	DENOTES SET NO 4/ PRM CAP, STAMPED LB 3674
•	DENOTES SET PCP, STAMPED LB 3674
PCP	PERMANENT CONTROL POINT
PRM	PERMANENT REFERENCE MONUMENT
CM	CONCRETE MONUMENT
RB	REBAR
LB	LICENSED BUSINESS NUMBER
WM	WATER MAIN
PK	PK NAIL
P.C.	POINT OF CURVATURE
P.T.	POINT OF TANGENCY
P.O.C.	POINT ON CURVE
P.R.C.	POINT OF REVERSE CURVATURE
P.C.C.	POINT OF COMPOUND CURVATURE
P.I.	RADIAL POINT
Δ	CENTRAL ANGLE
R	RADIUS
L	ARC LENGTH
CB	CHORD BEARING
CD	CHORD DISTANCE
TL	TABULATED LINE DATA
TC	TABULATED CURVE DATA
R/W	RIGHT OF WAY
C/L	CENTERLINE
FPL	FLORIDA POWER AND LIGHT
E/A OF	E/A UTILITY EASEMENT

PREPARED BY:
ROBERT M. ANGAS ASSOCIATES, INC.
14775 OLD ST. AUGUSTINE ROAD
JACKSONVILLE, FL 32258 (904) 642-8550
CERTIFICATE OF AUTHORIZATION NO. LB 3674

000073

Butler, Ann W

From: jrl99@bellsouth.net
Sent: Tuesday, February 06, 2007 1:47 PM
To: Hoffman, Gary
Subject: Riverwood @ Nocatee - Pulte

Attachments: Riverwood@Nocateee - e-mail page.PDF



Riverwood@Nocate
ee - e-mail pa...

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To: <Bob.Deahl@Pulte.com> Select Contacts

Subject: Riverwood at Nocatee - BellSouth Easement

cc:

bcc:

Priority: Normal

Save Outgoing Message HTML Editor

Bob,
As we discussed, BellSouth will need to have access for their cable, conduits and vehicles to the 30' x 30' equipment easement. There is a *non-exclusive* access easement, which I believe is going to be or the plat. BellSouth can use that easement, but it will need to be addressed in the Adoption and Dedication that is is also for their use. The 30' x 30' equipment easement can be on the plat or we can do the easement outside of the plat. If it is put on the plat it needs to be dedicated as follows: "An easement for BellSouth Telecommunications, Inc., a Georgica corporation, its licensees, agents, successors, assigns and allied and associated companies". I have attached the sketch showing the 3(x 30' easement which I have already received the easement for and a sketch showing the 30' x 30' witl the access.

Please advise me as to how you want to handle this.

Thanks,
To Add Attachment: (1) Click "Browse" and choose file. (2) Click Attach.

(1.5 mb) Riverwood @ Nocatee - sketch.PDF
Browse... (2 mb) Riverwood at Nocatee - sketch - ingress-egress.P

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000075

Butler, Ann W

From: jrl99@bellsouth.net
Sent: Tuesday, February 06, 2007 1:44 PM
To: Hoffman, Gary
Subject: [Fwd: Riverwood @ Nocatee - BellSouth Easement]

Attachments: Riverwood @ Nocatee - easement.doc; 8416c.doc; Riverwood @ Nocatee - sketch.PDF; NOTICE OF NONREPRESENTATION.doc; forward


Riverwood @ locatee - easement.


8416c.doc (23 KB)


Riverwood @ Nocatee - sketch.P..


NOTICE OF NONREPRESENTATION.


forward (64 B)

>
> From: <jrl99@bellsouth.net>
> Date: 2007/01/08 Mon PM 05:54:44 EST
> To: <Bob.Deahl@pulte.com>
> Subject: Riverwood @ Nocatee - BellSouth Easement
>
> Bob,
> As we discussed, attached is the easement form, signature page, partial section of the site plan showing the easement location and a notice of nonrepresentation.
>
> Please return the original signed documents to me.
>
> Thanks,
> Linda Jones
> Right of Way Agent
> Truevance Management, Inc.
> 2783 Segrest Road
> Pace, Florida 32571
> 850-994-6467
> Fax: 850-994-4057
>
>

000076

STATE OF FLORIDA

BELLSOUTH

COUNTY OF St. Johns

Preparer's name:

_____
_____
_____
_____

EASEMENT

For and in consideration of Ten and 00/100 dollars ($ 10.00) and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the undersigned owner(s) of the premises described below, hereinafter referred to as Grantor, do(es) hereby grant to **BELLSOUTH TELECOMMUNICATIONS, INC.**, a Georgia corporation, its licensees, agents, successors, assigns, and allied and associated companies, hereinafter referred to as Grantee, an exclusive easement to construct, operate, maintain, add, and/or remove such systems of communications, facilities, or related services as the Grantee may from time to time require upon, over, and under a portion of the lands described in Deed Book _____, page_____, St. Johns County, Florida Records, and, to the fullest extent the grantor has the power to grant, upon, over, along, and under the roads, streets, or highways adjoining or through said property. The said easement is more particularly described as follows:

All that tract or parcel of land lying in Section _____, Township_____, Range _____, _____, Meridian, St. Johns County, State of Florida, consisting of a (strip) (parcel) of land _____
_____
_____
_____
SEE ATTACHED EXHIBIT "A"

The following rights are also granted: the right to allow any other person, firm, or corporation to attach wires or lay cable or conduit or other appurtenances upon, over, and under said easement for communications or electric power transmission or distribution; ingress to and egress from said easement at all times; the right, but not the obligation, to clear the easement and keep it cleared of all trees, undergrowth, or other obstructions; the right, but not the obligation, to trim and cut and keep trimmed and cut all dead, weak, leaning or dangerous trees or limbs outside the easement which might interfere with or fall upon the lines or systems of communication or power transmission or distribution; the right to relocate said facilities, systems of communications, or related services on said lands to conform to any future highway relocation, widening, or improvements.

To have and to hold the above granted easement unto BellSouth Telecommunications, Inc., its licensees, agents, successors, assigns, and allied and associated companies forever and in perpetuity.

Grantor warrants that grantor is the true owner of record of the above described land on which the aforesaid easement is granted.

SPECIAL STIPULATIONS OR COMMENTS:
The following special stipulations shall control in the event of conflict with any of the foregoing easement:

_____
_____
_____
_____

000077

In witness whereof, the undersigned has/have caused this instrument to be executed on the _____ day of _____, 20____.

_____
Name of Corporation

Signed, sealed, and delivered in the presence of:

By:_____
Printed name:_____
Title:_____

_____
Witness

_____
Printed name

_____
Witness

_____
Printed name

State of Florida
County of _____

I HEREBY CERTIFY that _____ personally appeared before me and acknowledged that he/she was the same. The foregoing instrument was acknowledged before me this _____ day of _____, 20___, by _____(name and title of officer) of _____ (name of corporation), a _____ _____ corporation, on behalf of the corporation. He/she is personally known to me or has produced _____ as identification and did/did not take an oath.

Witness my hand and official seal in the County and State last aforesaid, this _____ day of _____ _____, 20___.

_____
Notary Public

_____
Print name

_____
Commission number

My Commission Expires:

_____

Grantor's Address

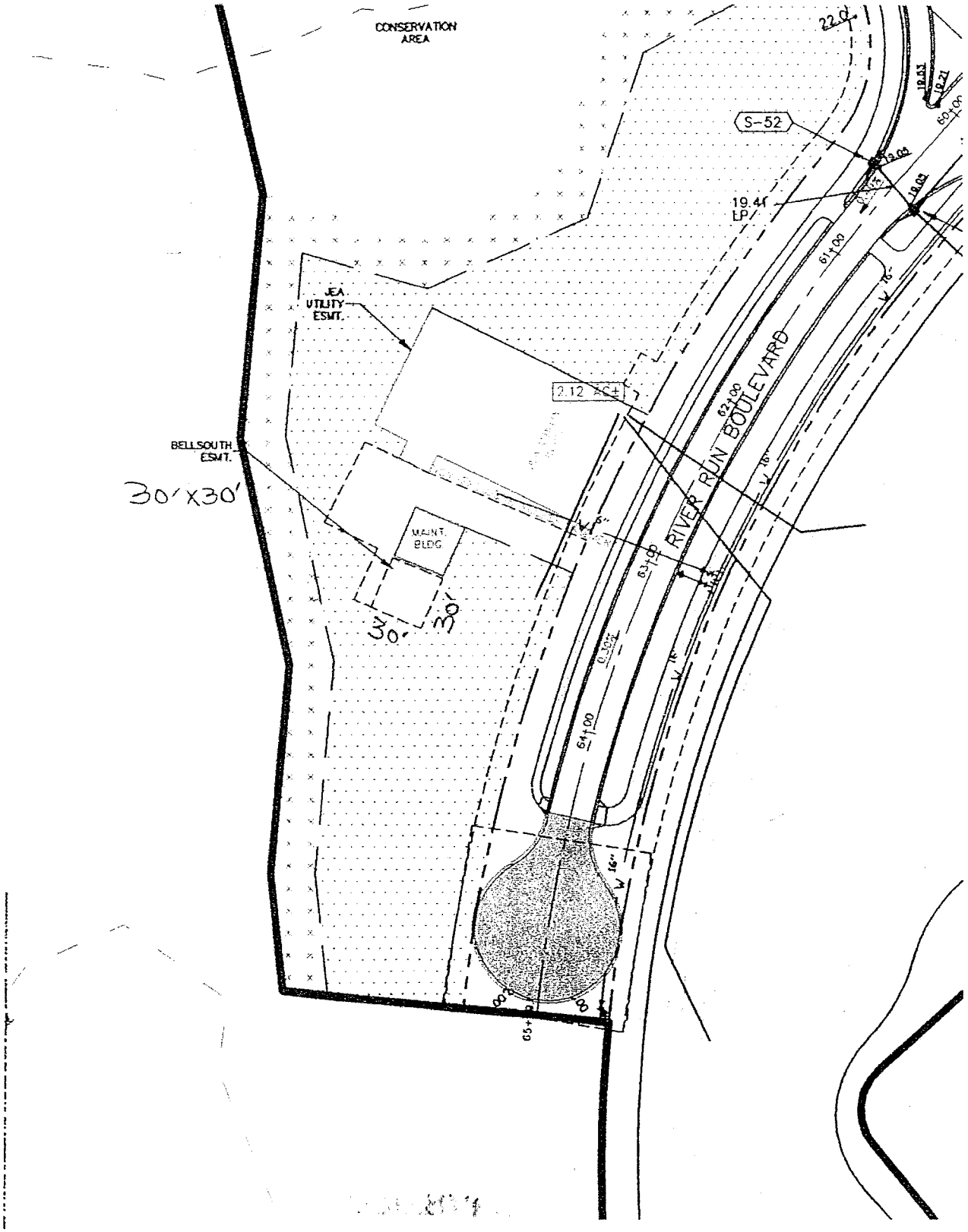
_____
_____
_____

Grantee's Address
BellSouth Telecommunications, Inc.

_____
_____

RIVERWOOD @ NOCATEE

EXHIBIT "A"



NOTICE OF NONREPRESENTATION

FLORIDA LAW REQUIRES THAT REAL ESTATE LICENSEES PROVIDE THIS NOTICE AT FIRST CONTACT TO ALL POTENTIAL SELLERS AND BUYERS OF REAL ESTATE.

You are hereby notified that Truevance Management, Inc. and I do not represent you in any capacity. You should not assume that any real estate broker or salesperson represents you unless you agree to engage a real estate licensee in an authorized brokerage relationship, either as a single agent or as a transaction broker. You are advised not to disclose any information you want to be held in confidence until you make a decision on representation.

Your signature below acknowledges receipt of this form and does not establish a brokerage relationship.

_____ Signature_____

Date

Signature _____

Butler, Ann W

From: linda jones [ljones537@hotmail.com]
Sent: Tuesday, February 06, 2007 1:36 PM
To: Hoffman, Gary
Subject: FW: Tidewater Condo's at Nocatee - BellSouth Easement
Attachments: Tidewater Legal Description.pdf

Linda Jones
Right of Way Agent
Truevance Management, Inc.
2783 Segrest Road
Pace, Florida 32571
850-994-6467
Fax: 850-994-4057

> Subject: RE: Tidewater Condo's at Nocatee - BellSouth Easement
> Date: Fri, 26 Jan 2007 13:32:08 -0700
> From: Tiffany.Mills@Pulte.com
> To: jrl99@bellsouth.net
> CC: Zell.Jones@Pulte.com; KnowlesS@etminc.com; Bob.Deahl@Pulte.com
>
> Linda,
>
> Attached please find the legal description you requested.
>
> Thanks,
> Tiffany
>
>
>
> -----Original Message-----
> From: Bob Deahl
> Sent: Tuesday, January 23, 2007 4:40 PM
> To: Tiffany Mills; Zell Jones; Scott Knowles
> Subject: FW: Tidewater Condo's at Nocatee - BellSouth Easement
>
> Zell,
>
> I think this was ment for you.
>
> -----Original Message-----
> From: jrl99@bellsouth.net [mailto:jrl99@bellsouth.net]
> Sent: Tuesday, January 23, 2007 4:35 PM
> To: Bob Deahl
> Subject: Tidewater Condo's at Nocatee - BellSouth Easement
>
> Bob,

> BellSouth will need a blanket easement for their cables and conduits at
> the above mentioned location. Can you please forward me the overall
> legal description? Once I receive, I will forward the final easement
> documents to you.
>
>
> Thanks,
> Linda Jones
> Right of Way Agent
> Truevance Management, Inc.
> 2783 Segrest Road
> Pace, Florida 32571
> 850-994-6467
> Fax: 850-994-4057
>
> CONFIDENTIALITY NOTICE: This email may contain confidential and privileged material for the sole use of the intended recipient(s). Any review, use, distribution or disclosure by others is strictly prohibited. If you have received this communication in error, please notify the sender immediately by email and delete the message and any file attachments from your computer. Thank you.

Stay up-to-date with your friends through the Windows LiveT Spaces friends list. Check it out!

Work Order No. 04-137.00
Nocatee - Town Center South

Legal Description

A portion of Section 6, Township 5 South, Range 29 East, St. Johns County, Florida, also being a portion of the lands described and recorded in Official Records Book 1462, page 667, of the Public Records of said County, being more particularly described as follows:

For a Point of Reference, commence at the Northwest corner of said Section 6; thence South 01°10'10" East, along the Westerly line of said Section 6, a distance of 38.64 feet to its intersection with the Southerly right of way line of County Road 210 (Palm Valley Road), a 100 foot right of way as now established; thence North 55°22'18" East, departing said Westerly line and along said Southerly right of way line, 30.12 feet; thence North 55°19'25" East, continuing along said Southerly right of way line, 676.20 feet to a point on a curve, concave Southwesterly, having a radius of 881.00 feet; thence Southeasterly, departing said Southerly right of way line, along the arc of said curve, through a central angle of 0°31'23", an arc length of 8.04 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of South 58°40'48" East, 8.04 feet; thence South 58°25'07" East, 327.46 feet to a point of curvature of a curve, concave Northeasterly, having a radius of 2550.00 feet; thence Southeasterly along the arc of said curve, through a central angle of 40°36'18", an arc length of 1807.16 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of South 78°43'16" East, 1769.58 feet; thence North 80°58'35" East, 508.58 feet to a point of curvature of a curve concave Southerly, having a radius of 2000.00 feet; thence Southeasterly along the arc of said curve, through a central angle of 28°55'19", an arc length of 1009.57 feet to a point on said curve, said arc being subtended by a chord bearing and distance of South 84°33'45" East, 998.89 feet; thence South 19°53'55" West, 75.00 feet to a point on a curve concave Northeasterly, having a radius of 1650.00 feet; thence Southeasterly along the arc of said curve, through a central angle of 4°17'17", an arc length of 123.49 feet to a point on said curve, said arc being subtended by a chord bearing and distance of South 72°14'44" East, 123.46 feet; thence South 61°51'46" East, 51.78 feet to a point on a curve concave Northeasterly, having a radius of 1662.00 feet; thence Southeasterly along the arc of said curve, through a central angle of 6°01'37", an arc length of 174.83 feet to a point on said curve and the Point of Beginning, said arc being subtended by a chord bearing and distance of South 79°08'45" East, 174.75 feet.

From said Point of Beginning, thence Easterly along the arc of a curve concave Northerly, having a radius of 1662.00 feet, through a central angle of 8°01'39", an arc length of 232.86 feet to a point on said curve, said arc being subtended by a chord bearing and distance of South 86°10'23" East, 232.67 feet; thence South

46°58'06" West, 35.03 feet; thence South 12°47'45" East, 77.87 feet; thence South 21°39'41" East, 89.29 feet; thence South 03°33'45" East, 48.49 feet; thence South 57°26'33" East, 36.89 feet; thence South 43°45'15" East, 60.19 feet; thence South 16°08'29" West, 75.10 feet; thence South 07°48'14" East, 79.01 feet; thence South 49°44'29" West, 63.24 feet; thence South 62°07'22" West, 38.72 feet; thence South 42°47'51" East, 59.16 feet; thence South 57°25'59" East, 37.78 feet; thence South 09°26'54" East, 55.62 feet; thence South 82°25'46" East, 47.84 feet; thence South 61°02'26" East, 59.37 feet; thence South 20°34'13" East, 49.79 feet; thence South 71°41'53" East, 56.77 feet; thence South 09°30'15" West, 33.32 feet; thence South 21°34'28" West, 48.33 feet; thence South 40°52'36" East, 44.66 feet; thence South 17°46'03" West, 92.59 feet; thence South 34°40'25" West, 88.14 feet; thence North 20°57'37" West, 9.04 feet; thence North 25°46'40" West, 23.34 feet; thence South 43°41'19" West, 46.07 feet; thence South 48°52'27" West, 45.99 feet; thence North 89°00'40" West, 47.97 feet; thence North 86°27'36" West, 49.88 feet; thence North 72°58'08" West, 48.24 feet; thence South 81°57'07" West, 53.21 feet; thence North 71°38'20" West, 57.97 feet; thence North 74°44'36" West, 75.15 feet; thence North 55°12'43" West, 76.05 feet; thence North 61°35'47" West, 55.78 feet; thence North 41°12'58" West, 37.58 feet; thence North 72°34'10" West, 30.20 feet; thence North 08°22'03" West, 74.93 feet; thence North 03°41'02" East, 40.58 feet; thence North 80°49'09" West, 79.20 feet; thence North 89°00'44" West, 52.96 feet; thence North 68°00'19" West, 73.96 feet; thence South 87°22'59" West, 72.25 feet; thence North 59°36'22" West, 27.59 feet; thence South 77°58'01" West, 95.27 feet; thence North 01°15'48" West, 82.57 feet; thence North 25°23'40" West, 67.03 feet; thence North 18°55'57" West, 70.47 feet; thence South 72°12'33" West, 46.85 feet; thence North 17°18'17" East, 108.01 feet; thence North 59°04'57" East, 52.36 feet; thence North 03°40'27" West, 54.16 feet; thence North 26°51'07" West, 80.94 feet; thence North 50°53'30" East, 91.60 feet; thence North 27°33'03" East, 62.66 feet; thence South 73°32'29" East, 51.83 feet; thence North 40°21'58" East, 70.41 feet; thence North 38°27'41" East, 72.56 feet; thence North 23°21'12" East, 59.55 feet; thence South 26°32'44" East, 60.53 feet; thence South 18°01'20" West, 79.27 feet; thence South 37°37'11" East, 97.72 feet; thence South 17°18'36" East, 91.49 feet; thence South 52°37'35" East, 51.70 feet; thence North 36°11'44" East, 31.66 feet; thence North 52°27'59" East, 30.51 feet; thence North 06°24'21" East, 33.74 feet; thence North 84°32'29" East, 48.20 feet; thence North 86°57'21" East, 51.05 feet; thence North 30°11'49" East, 66.42 feet; thence North 58°51'44" East, 54.66 feet; thence North 12°32'51" East, 65.32 feet; thence North 18°59'30" West, 47.62 feet; thence North 55°40'46" West, 51.30 feet; thence North 35°49'33" East, 53.25 feet to the Point of Beginning.

EXHIBIT "B"

PERMITTED EXCEPTIONS

PERMITTED EXCEPTIONS

1. Taxes and assessments for the year 2005 and subsequent years not yet due and payable.
2. Notice of DRI Development Order (Nocatee) as set out in instrument recorded in Official Records Book 1656, page 1887, in the public records of St. Johns County, Florida.
3. Notice of Establishment of the Tolomato Community Development District as set out in instrument recorded in Official Records Book 2263, page 1747; Validation recorded in Official Records Book 2340, page 1966, in the public records of St. Johns County, Florida.
4. Interlocal Agreement between Split Pine Community Development District and Tolomato Community Development District regarding the Construction, Management and Financing of Joint Improvements as set out in instrument recorded in Official Records Book 2331, page 914; First Amendment recorded in Official Records Book 2331, page 1803; Second Amendment to Interlocal Agreement between Split Pine Community Development District and Tolomato Community Development District regarding the Construction, Management and Financing of Joint Improvements, recorded in Official Records Book 2517, page 304, and Third Amendment to Interlocal Agreement between Split Pine Community Development District and Tolomato Community Development District regarding the Construction, Management and Financing of Joint Improvements, recorded in Official Records Book 2517, page 310, in the public records of St. Johns County, Florida.
5. Developer and Utility Service Agreement as set out in instrument recorded in Official Records Book 2359, page 1979, in the public records of St. Johns County, Florida.
6. Tolomato Community Development District Notice of Imposition of Special Assessments for Neighborhood Infrastructure Improvements as set out in instrument recorded in Official Records Book 2381, page 514, in the public records of St. Johns County, Florida.
7. Tolomato Community Development District Notice of Imposition of Special Assessments for Master Infrastructure Improvements as set out in instrument recorded in Official Records Book 2381, page 524, in the public records of St. Johns County, Florida.

Butler, Ann W

From: Hoffman, Gary
Sent: Monday, January 22, 2007 12:04 PM
To: 'Alex Grace'
Subject: RE: Coastal Oaks at Nocatee

Standard 220 VAC 200AMP service.

-----Original Message-----
From: Alex Grace [mailto:AGRACE@tollbrothersinc.com]
Sent: Monday, January 22, 2007 11:37 AM
To: Hoffman, Gary
Subject: Coastal Oaks at Nocatee

Gary-

Please confirm the power supply BellSouth will require at the telecommunication easement.

Thanks for your assistance.

Alex Grace
Assistant Land Development Manager
Toll Brothers, Inc. (NYSE TOL)
FL North Division
Off: (904) 285-3970
Fax: (904) 285-0779
Cell: (904) 718-0279

Butler, Ann W

From: Hoffman, Gary
Sent: Monday, January 08, 2007 12:50 PM
To: 'linda jones'
Cc: Keels, Larry
Subject: RE: Riverwood Ph 1A
Attachments: BellsouthEsmt-South-50Scale.pdf

Linda,
This is the site per the BST work request. The other site is not needed for the short term. We can address additional needs later as the development grows.
Thanks
Gary

-----Original Message-----
From: linda jones [mailto:ljones537@hotmail.com]
Sent: Monday, January 08, 2007 12:38 PM
To: Hoffman, Gary
Subject: FW: Riverwood Ph 1A

Gary,
Does this look right to you? Also, is there more than one RT site at this location?
Thanks,

Linda Jones
Right of Way Agent
Truevance Management, Inc.
2783 Segrest Road
Pace, Florida 32571
850-994-6467
Fax: 850-994-4057

Subject: Riverwood Ph 1A
Date: Fri, 5 Jan 2007 16:16:06 -0500
From: KnowlesS@etminc.com
To: jrl99@bellsouth.net

Linda,

I apologize for not getting to you sooner. I spoke with Kathy Wade, and she asked me to send this information to you. I am attaching PDF's of the Riverwood Phase 1A site and individual areas that we have slated for Bellsouth easements. I have also attached a CAD base file with the property lines and easements. Please let me know if you need any more information.

Thanks.

000088

****

Scott A. Knowles, P.E.
England-Thims & Miller, Inc.
14775 Old St. Augustine Road
Jacksonville, FL 32258
(P) 904.265.3162 direct
(P) 904.642.8990 main
(F) 904.646.9485

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NON-EXCLUSIVE ACCESS EASEMENT
MAINT. BLDG.
RIVER RUN BOULEVARD
22.0
19.53
19.21
19.05
19.05
0.30%
0.30%
60+00
61+00
62+00
63+00
64+00
65+
16"
16"
16"
16"
16"

Butler, Ann W

From: jrl99@bellsouth.net
Sent: Friday, December 22, 2006 4:20 PM
To: GLeone@tollbrothersinc.com
Cc: Hoffman, Gary
Subject: Coastal Oaks at Nocatee - BellSouth Easement

Attachments: Coastal Oaks at Nocatee - easement.doc; Coasta Oaks at Nocatee - signature page.doc; NOTICE OF NONREPRESENTATION.doc


Coastal Oaks at Nocatee - ease...


Coasta Oaks at Nocatee - signa...


NOTICE OF IREPRESENTATION...

George,

After reviewing the recorded plat, BellSouth felt that the adoption and dedication for the easement was too vague. The tract is dedicated as a telecommunications tract. BellSouth needs to have an easement for their exclusive use.

Attached is the easement form, signature page and a notice of nonrepresentation.

Please return the original signed documents to me.

Thanks,
Linda Jones
Right of Way Agent
Truevance Management, Inc.
2783 Segrest Road
Pace, Florida 32571
850-994-6467
Fax: 850-994-4057

STATE OF FLORIDA

BELLSOUTH

COUNTY OF St. Johns

Preparer's name:

_____
_____
_____
_____

EASEMENT

For and in consideration of Ten and 00/100 dollars ($ 10.00) and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the undersigned owner(s) of the premises described below, hereinafter referred to as Grantor, do(es) hereby grant to **BELLSOUTH TELECOMMUNICATIONS, INC.**, a Georgia corporation, its licensees, agents, successors, assigns, and allied and associated companies, hereinafter referred to as Grantee, an exclusive easement to construct, operate, maintain, add, and/or remove such systems of communications, facilities, or related services as the Grantee may from time to time require upon, over, and under a portion of the lands described in Plat Book 60, page 1-22, St. Johns County, Florida Records, and, to the fullest extent the grantor has the power to grant, upon, over, along, and under the roads, streets, or highways adjoining or through said property. The said easement is more particularly described as follows:

All that tract or parcel of land lying in Section 8, Township 5 South, Range 29 East, Meridian, St. Johns County, State of Florida, consisting of a (strip) (parcel) of land All of Tract DD as recorded on the plat of Coastal Oaks at Nocatee – Phase 1, recorded in Map Book 60, Pages 1 thru 22, St. Johns County, Florida records.

The following rights are also granted: the right to allow any other person, firm, or corporation to attach wires or lay cable or conduit or other appurtenances upon, over, and under said easement for communications or electric power transmission or distribution; ingress to and egress from said easement at all times; the right, but not the obligation, to clear the easement and keep it cleared of all trees, undergrowth, or other obstructions; the right, but not the obligation, to trim and cut and keep trimmed and cut all dead, weak, leaning or dangerous trees or limbs outside the easement which might interfere with or fall upon the lines or systems of communication or power transmission or distribution; the right to relocate said facilities, systems of communications, or related services on said lands to conform to any future highway relocation, widening, or improvements.

To have and to hold the above granted easement unto BellSouth Telecommunications, Inc., its licensees, agents, successors, assigns, and allied and associated companies forever and in perpetuity.

Grantor warrants that grantor is the true owner of record of the above described land on which the aforesaid easement is granted.

SPECIAL STIPULATIONS OR COMMENTS:
The following special stipulations shall control in the event of conflict with any of the foregoing easement:

_____
_____
_____

In witness whereof, the undersigned has/have caused this instrument to be executed on the _____ day of _____, 20____.

Toll Jacksonville Limited Partnership, a Florida limited partnership

By: TOLL FL GP CORP., a Florida corporation
Its: General Partner

Signed, sealed, and delivered in the presence of:

_____
Witness

_____
Printed name

_____
Witness

_____
Printed name

By:_____
Printed name:_____
Title:_____

State of Florida
County of _____

I HEREBY CERTIFY that _____ personally appeared before me and acknowledged that he/she was the same. The foregoing instrument was acknowledged before me this _____ day of _____, 20___, by _____ (name and title of officer) of Toll FL GP Corp., a Florida corporation, the General Partner of Toll Jacksonville Limited Partnership, a Florida limited partnership on behalf of the company. He/she is personally known to me or has produced _____ as identification and did/did not take an oath.

Witness my hand and official seal in the County and State last aforesaid, this ____ day of _____ _____, 20___.

_____
Notary Public

_____
Print name

_____
Commission number

My Commission Expires:

_____

Grantor's Address
250 Gibraltar Road
Horsham, PA 19044

Grantee's Address
BellSouth Telecommunications, Inc.

NOTICE OF NONREPRESENTATION

FLORIDA LAW REQUIRES THAT REAL ESTATE LICENSEES PROVIDE THIS NOTICE AT FIRST CONTACT TO ALL POTENTIAL SELLERS AND BUYERS OF REAL ESTATE.

You are hereby notified that Truevance Management, Inc. and I do not represent you in any capacity. You should not assume that any real estate broker or salesperson represents you unless you agree to engage a real estate licensee in an authorized brokerage relationship, either as a single agent or as a transaction broker. You are advised not to disclose any information you want to be held in confidence until you make a decision on representation.

Your signature below acknowledges receipt of this form and does not establish a brokerage relationship.

_____ Signature_____

Date

Signature _____

Butler, Ann W

From: Alex Grace [AGRACE@tollbrothersinc.com]
Sent: Tuesday, November 21, 2006 2:40 PM
To: Hoffman, Gary
Subject: Re: BellSouth Crossing Diagram-Coastal Oaks

Gary,

Please give me a call when you have time to discuss. Thanks

Alex Grace
Assistant Land Development Manager
Toll Brothers, Inc. (NYSE TOL)
FL North Division
Off: (904) 285-3970
Fax: (904) 285-0779
Cell: (904) 718-0279

>>> "Hoffman, Gary" <Gary.Hoffman@BellSouth.com> 11/21/06 1:24 PM >>>
Alex,
Attached is the remaining crossing requirements for Phase One at Coastal Oaks. Please call if you have any questions.
Thanks,

Gary A. Hoffman
Central Engineering-NEFL
BellSouth Network Operations
8451 Western Way
Jacksonville, FL 32256
904-363-7098
904-363-7083 fax
gary.hoffman@bellsouth.com

*****

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GA622

Butler, Ann W

From: Bob Deahl [Bob.Deahl@Pulte.com]
Sent: Thursday, October 12, 2006 5:12 PM
To: Ted Walker; Yon Hammel; Shawn Budd; james_graham@cable.comcast.com; Hoffman, Gary; JaxLandscape@aol.com; Land Care Management, Inc.; Bill Genovese; Bill Weaver; foyb@adkinselectric.com; Jason Holder
Subject: FW: Riverwood Construction Phasing

Attachments: CONSTRUCTION- AREA-PLAN-2.pdf



CONSTRUCTION-
AREA-PLAN-2.pdf ...

All,

Please note the change to the lines between areas 3 and 6.

If you have any questions please let me know.

Bob Deahl
Field Superintendent, Land and Development Pulte Home Corporation
Cell: (904) 334-5405
Office: (904) 733-7300
Fax: (904) 425-6090

-----Original Message-----
From: Scott Knowles [mailto:KnowlesS@etminc.com]
Sent: Thursday, October 12, 2006 4:30 PM
To: Sam Lansdale; Greg Anderson; Wayman Casey (E-mail); Bob Deahl; Charlie Holtzendorf
Subject: Riverwood Construction Phasing

Updated area plan.

<<CONSTRUCTION- AREA-PLAN-2.pdf>>

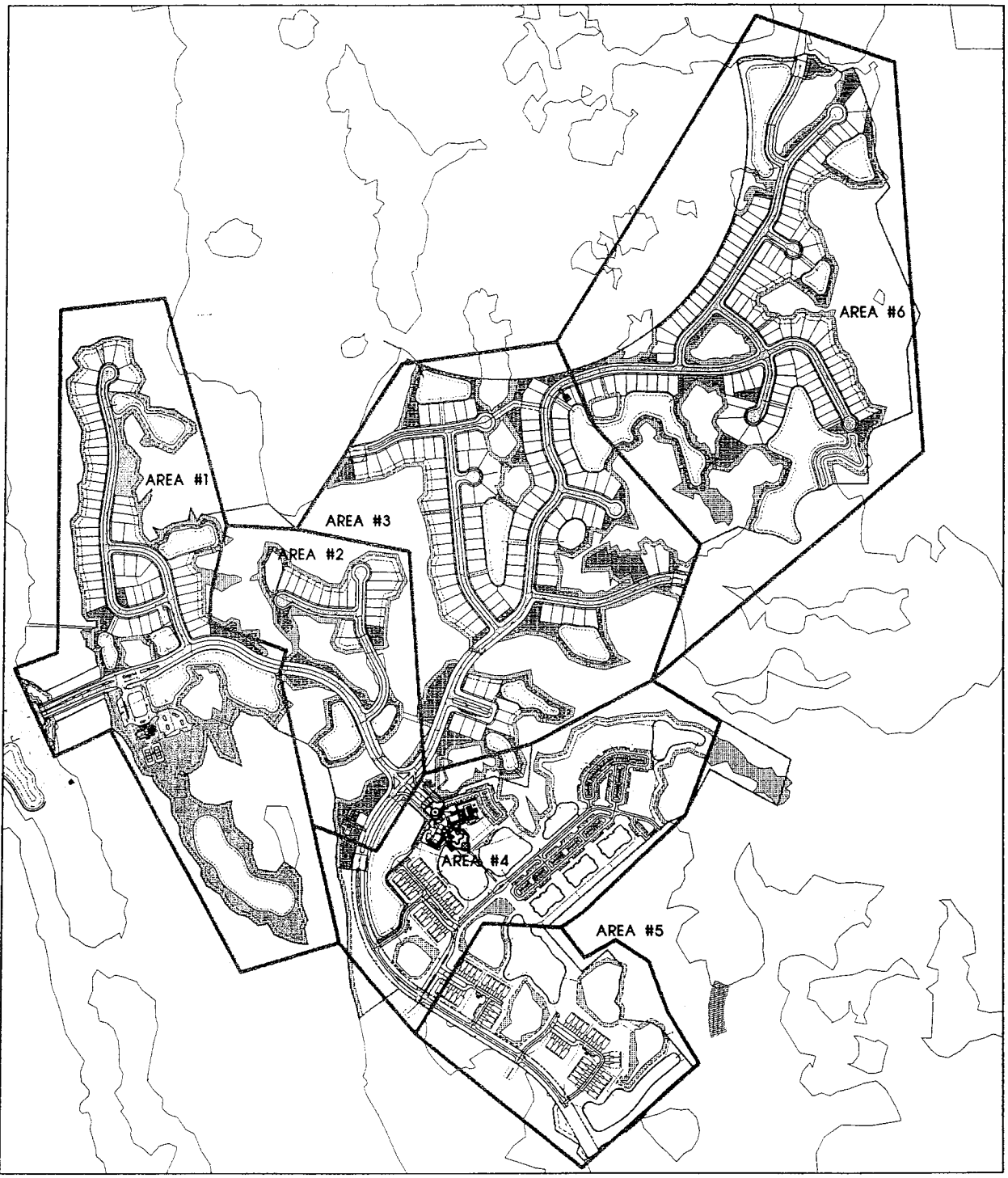
****

Scott A. Knowles, P.E.
England-Thims & Miller, Inc.
14775 Old St. Augustine Road
Jacksonville, FL 32258
(P) 904.265.3162 direct
(P) 904.642.8990 main
(F) 904.646.9485

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Riverwood/Nocatee

ST. JOHNS COUNTY, FLORIDA



PREPARED BY:

Pulte HOMES

England-Thims & Miller, Inc.
ENGINEERS - PLANNERS - SURVEYORS - LANDSCAPE ARCHITECTS
14775 ST. AUGUSTINE ROAD JACKSONVILLE, FLORIDA 32258
CERTIFICATE OF AUTHORIZATION NUMBER 2584
PHONE NUMBER (904) 642-8990 FAX NUMBER (904) 646-9485

1" = 600'
OCTOBER 12, 2006

F:\02-050\02-050-34\Design\Phase 1\PHASE 1 AX-JUR\CONSTRUCTION PHASING PLAN.dwg, 10/12/2006 4:28:12 PM, knowless

000097

Butler, Ann W

From: Hoffman, Gary

Sent: Monday, October 09, 2006 9:49 AM

To: 'Sam Lansdale'

Subject: RE: Riverwood (Meeting to discuss the project schedule with all parties 10-12-06)

Sam,
I plan to attend, which office will the meeting be located?
Thanks

Gary A. Hoffman
Central Engineering-NEFL
BellSouth Network Operations
8451 Western Way
Jacksonville, FL 32256
904-363-7098
904-363-7083 fax
gary.hoffman@bellsouth.com

There will be a meeting at the ETM office to discuss schedules and coordination issues with all parties of the Riverwood project.

Please meet at the ETM office on: Thursday October 12, 2006, at 1:30pm.

Thank you

Sam Lansdale: · Project Representative
England-Thims & Miller, Inc.
P: (904) 470-3866 · F: (904) 646-9485
C: (904) 509-4902 · NEXTEL I.D. # 158*28*18754
E-mail:lansdaleS@etminc.com · www.etminc.com

Butler, Ann W

From: Hoffman, Gary
Sent: Thursday, September 14, 2006 12:56 PM
To: 'Scott Knowles'
Cc: Mitchell, Alex T
Subject: RE: Riverwood and Tidewater at Nocatee

Scott,
Tuesday the 19th at 10:00 is good for us. I'll review the FPL current design and have a preliminary plan for Riverwood. Alex Mitchell will be in attendance to discuss vertical requirements for the Tidewater project. Please send a file of the final FPL design after you have received from Rob Helfer.
Thanks,

Gary A. Hoffman
Central Engineering-NEFL
BellSouth Network Operations
8451 Western Way
Jacksonville, FL 32256
904-363-7098
904-363-7083 fax
gary.hoffman@bellsouth.com

-----Original Message-----
From: Scott Knowles [mailto:KnowlesS@etminc.com]
Sent: Thursday, September 14, 2006 9:52 AM
To: Hoffman, Gary
Subject: Riverwood and Tidewater at Nocatee

Gary,

Here is the electronic FPL plan for Riverwood. FPL has not completed their design yet, but they are supposed to be done by Friday the 15th. As for getting together on Riverwood and Tidewater, Bob had mentioned to me that he would like to shoot for Tuesday morning. I am good with Tuesday or Wednesday mornings and any time on Thursday. Bob has pretty much the same schedule as me. I was thinking maybe 10:00 on Tuesday the 19th at the ETM office. If that works for you, let me know and I will set up the meeting. If not, let me know what time is good for you.

Thanks.

<<2058242nfCONST.dwg>>

****

Scott A. Knowles, P.E.
England-Thims & Miller, Inc.
14775 Old St. Augustine Road
Jacksonville, FL 32258
(P) 904.265.3162 direct
(P) 904.642.8990 main
(F) 904.646.9485

Butler, Ann W

From: Sam Lansdale [LansdaleS@etminc.com]
Sent: Tuesday, June 06, 2006 6:12 PM
To: Bill Davidson; Douglas Seaman; Billie Brown; Buckley Williams; Greg Anderson; Bob.Deahl@Pulte.com; shawn.budd@pulte.com; Scott Knowles; Jon Hamilton; brandon@rbbaker.com; wayman@rbbaker.com; d.schroeder@ellisassoc.com; lkrause@co.st-johns.fl.us; Tindwj@JEA.com; Jose_marrero@FPL.com; Hoffman, Gary; Mitchell, Alex T
Subject: River Wood by Del Webb at Nocatee (Emergency Contact List)

Attachments: Emergency Contact List Riverwood.pdf



Emergency Contact List Riverwo...

FYI

<<Emergency Contact List Riverwood.pdf>>

Sam Lansdale: · Project Representative
England-Thims & Miller, Inc.
P: (904) 470-3866 · F: (904) 646-9485
C: (904) 509-4902 · NEXTEL I.D. # 158*28*18754 E-mail:lansdaleS@etminc.com ·
www.etminc.com

Emergency Contact List Riverwood by Del Webb at Nocatee						
Name	Company	Phone #	Mobile Ph.#	Fax Num.	E-mail Address	Miscellaneous
Alex Mitchell	BellSouth	904-824-6078			alex.mitchell@bellsouth.com	BICS Specialist
Gary Hoffman	BellSouth	363-7098			gary.hoffman@bellsouth.com	OSPE Specialist
James Graham	Comcast Cable	380-6341	509-6472	380-6434	james_graham@cable.comcast.com	Project coordinator
Larry Winburn	Comcast Cable	380-6409	759-2981		larry_winburn@cable.comcast.com	project coordinator
Buckley Williams	England Thims and Miller	642-8990	838-4799	646-9485	williamsb@etminc.com	Vice President CEI
Scott Knowles	England Thims and Miller	642-8990		646-9485	KnowelsS@etminc.com	EOR
Greg Anderson	England Thims and Miller	642-8990	483-6059	646-9485	Andersong@etminc.com	CEI Project Representative
Sam Lansdale	England Thims and Miller	642-8990	509-4902	646-9485	lansdales@etminc.com	CEI Project Representative
Douglas Seaman	England Thims and Miller	642-8990		646-9485	seamand@etminc.com	SWPPP Monitor
Bill Davidson	England Thims and Miller	273-2268	545-0795		davidsonb@etminc.com	Nocatee Project Mgr.
Jose Marrero	FPL	904-824-7646			Jose_marrero@FPL.com	Designer
Jason Hall	Grimes Contracting, Inc		278-1736			RB Baker Subcontractor
Bill Tindell	JEA Water / Sewer	237-1692			Tindwj@JEA.com	Construction Inspector
Matt Smith	JEA Water / Sewer	665-6246		665-7372	smitmm@jea.com	Lift Station Inspector
Shawn Budd	Pulte	733-7300		733-7733	shawn.budd@pulte.com	Owner
Bob Deahl	Pulte	733-7300	334-5405	733-7733	Bob.Deahl@Pulte.com	Owner
Wayman Casey	R. B. Baker Construction	824-9901	219-3671	824-9601	wayman@rbbaker.com	Project Manager
Dennis Crews	R. B. Baker Construction	824-9901	219-6466	824-9601	n/a	Superintendent
Larry Krause	St. Johns County	209-0738	669-2154	209-0744	lkrause@co.st-johns.fl.us	Inspector III
Elmer Whiting	Ellis and Associates	880-0960				project engineer
Debra Schroeder	Ellis and Associates	880-0960			d.schroeder@ellisassoc.com	project engineer

000102

Butler, Ann W

From: Greg Anderson [andersong@etminc.com]
Sent: Wednesday, May 31, 2006 1:35 PM
To: kim@ajjohns.com; josieb@ajjohns.com; victorc@ajjohns.com; mikeb@barcoduval.com; ronprice@barcoduval.com; Mitchell, Alex T; Hoffman, Gary; james_graham@cable.comcast.com; larry_winburn@cable.comcast.com; Buckley Williams; Francis Dayao; Sam Lansdale; Douglas Seaman; Bill Davidson; Jose_marrero@FPL.com; Tindwj@JEA.com; smitmm@jea.com; shawn.budd@pulte.com; Bob.Deahl@Pulte.com; lkrause@co.st-johns.fl.us
Subject: Tidewater (Meeting Minutes and Contact List 05-17-06)

Attachments: Emergency Contact List Tidewater.pdf; 01 Tidewater preconminutes 05-17-06.pdf


Emergency Contact List Tidewat...


01 Tidewater preconminutes 05-..

FYI
<<Emergency Contact List Tidewater.pdf>> <<01 Tidewater preconminutes 05-17-06.pdf>>

Greg Anderson: · Project Representative England-Thims & Miller, Inc.
P: (904) 470-3846 · F: (904) 646-9485 C: (904) 483-6059 E-mail:Andersong@etminc.com · www.etminc.com

Emergency Contact List Tidewater at Nocatee						
Name	**Company**	**Phone #**	**Mobile Ph.#**	**Fax Num.**	**E-mail Address**	**Miscellaneous**
Kim Johns	A.J. Johns	641-2055		641-2102	kim@ajjohns.com	Project Manager
Jose Burnsed	A.J. Johns	641-2055		641-2102	josieb@ajjohns.com	Project Superintendent
Victor Cox	A.J. Johns	627-6005			victorc@ajjohns.com	
Michael Bell	Barco-Duval	772-1313	669-2976	771-7912	mikeb@barcoduval.com	Asst. Project Manager
Danny Adams	Barco-Duval	772-1313	545-4971			Superintendent
Ron Price	Barco-Duval	772-1313			ronprice@barcoduval.com	Contractor
Alex Mitchell	BellSouth	904-824-6078			alex.mitchell@bellsouth.com	BICS Specialist
Gary Hoffman	BellSouth	363-7098			gary.hoffman@bellsouth.com	OSPE Specialist
James Graham	Comcast Cable	380-6341	509-6472	380-6434	james_graham@cable.comcast.c	Project coordinator
Larry Winburn	Comcast Cable	380-6409	759-2981		larry_winburn@cable.comcast.c	project coordinator
Buckley Williams	England Thims and Miller	642-8990	838-4799	646-9485	williamsb@etminc.com	Vice President CEI
Francis Dayao	England Thims and Miller	642-8990		646-9485	DayaoF@etminc.com	EOR
Greg Anderson	England Thims and Miller	642-8990	483-6059	646-9485	Andersong@etminc.com	CEI Project Representative
Sam Lansdale	England Thims and Miller	642-8990	509-4902	646-9485	lansdales@etminc.com	CEI Project Representative
Douglas Seaman	England Thims and Miller	642-8990		646-9485	seamand@etminc.com	SWPPP Monitor
Bill Davidson	England Thims and Miller	273-2268	545-0795		davidsonb@etminc.com	Nocatee Project Mgr.
Jose Marrero	FPL	904-824-7646			Jose_marrero@FPL.com	Designer
Bill Tindell	JEA Water / Sewer	237-1692			'Tindwj@JEA.com'	Construction Inspector
Matt Smith	JEA Water / Sewer	665-6246		665-7372	smitmm@jea.com	Lift Station Inspector
Shawn Budd	Pulte	733-7300		733-7733	shawn.budd@pulte.com	Owner
Bob Deahl	Pulte	733-7300	334-5405	733-7733	Bob.Deahl@Pulte.com	Owner
Larry Krause	St. Johns County	209-0738	669-2154	209-0744	lkrause@co.st-johns.fl.us	Inspector III

000104

Meeting Minutes

Date: May 17, 2006
9:00a.m. – 10:00a.m.

Project: Tidewater at Nocatee
England Thims & Miller, Inc. (ETM) No02-050.4401
St. Johns County

Place: ETM Office, 14775 St. Augustine Road

Reference: Tidewater at Nocatee (formerly known as Town Center South Condominiums)

Attendees:

Bob Deahl	Pulte Home Corporation Inc.	904-334-5405
Francis Dayao	England Thims & Miller, Inc.	904-642-8990
Sam Lansdale	England Thims & Miller, Inc.	904-642-8990
Greg Anderson	England Thims & Miller, Inc.	904-642-8990
Larry Krause	St. Johns County	904-669-2154
Josie Burnsed	A.J. Johns Inc.	904-545-1055
Victor Cox	A.J. Johns Inc	904-486-0916
Jose Marrero	FPL	904-824-7646
Alex Mitchell	Bellsouth	904-824-6078
Gary Hoffman	Bellsouth	904-363-7098

I. **Introductions:** The meeting opened with a brief introduction of A.J. Johns (AJJ), England Thims & Miller, Inc. (ETM) and Pulte. AJJ announced that Kim Johns would be the project manager and Jose Burnsed would be the project superintendent for the Tidewater project. Based on the sign in sheet, an emergency contact list will be made and distributed by ETM.

II. ***Contract Status and Schedule:*** Notice of Intent (NOI) was issued by the DEP December 13, 2005. A set of construction plans will be released after the SJC has approved a few revisions made during preliminary review. An agreed upon and signed contract is pending between Pulte and AJJ and between Barco-Duval and Pulte. A construction schedule is still pending.

III. **Utility Improvements:** Construction representatives from Bellsouth were at the meeting to discuss cable installation, placement of conduit and crossing locations. Bellsouth will produce a crossing plan so that casings may be installed prior to the roadway and infrastructure. Bellsouth will contract directly with the electrical contractor (yet to be determined) so that the Bellsouth conduit could be installed at the same time as the electrical conduit. Bellsouth said that they would complete the design after they receive the FPL electrical design. Jose Marrero at FPL will be designing the electrical system for the Tidewater project. After the design has been completed an FPL Electrical pre-construction meeting will take place before constructing the electrical system. After the receipt of the FPL underground electrical drawings, Bellsouth mentioned they would have a 2 or 3 day turn around on the conduit and crossing plans. Bellsouth will not need a 30'x30' easement for a cabinet but would need a blanket easement for the entire site less the building pads. Comcast was not present for the meeting

IV. **Maintenance of Traffic:** AJJ will post road-closed signs during construction. Access to the site will need to be coordinated with Barco–Duval.

V. **Applications for Payment:** It was agreed that all applications for payment would be sent by E-mail or US mail the twenty-fifth day of each month. Partial Lien releases shall be included each month for the project duration.

VI. **JEA Water and Sewer:** The construction inspector for JEA will be Bill Tindell. For this project AJJ shall follow the JEA water and Sewer standards, details and materials manual, revised 2005 edition. A JEA water and sewer preconstruction meeting will be scheduled at a later date at the JEA tower for the lift station.

VII. **Contract Changes /Permit Updates:** The St Johns County tree-clearing and paving and drainage permit has been received. The SJRWMD permits have been received. AJJ should submit shop drawings on sanitary and storm structures for review. A construction set of plans will be issued with the St. Johns County approved plans.

VIII. **Submittals / Shop drawings:** AJJ signed three copies of the Storm Water Pollution Control Plan on sheet 38 and the signed plans were distributed to AJJ, ETM and Pulte at the SWPPP preconstruction meeting. Also Inspection reports shall be completed after 0.25" of rainfall and at a minimum of every seven days. NPDES reports will be delivered to Pulte at each construction progress meeting. England Thims & Miller will make every attempt to review and respond to all shop drawings, RFI's, and correspondence within seven days. AJJ agreed to submit all shop drawings for ETM approval: mast arms, storm structures, sanitary structures, box culverts, lighting, steel, asphalt mix and concrete mix designs. Soil tracking devices may be necessary at the entrance during the hauling of material on and off the project site.

IX. **Miscellaneous:**

a. All work on this project should conform to the St. Johns County standard details and specifications and when necessary the 2006 FDOT standards specifications for roads and bridges.
b. The St. Johns County Development Services will be performing project inspections and may make periodic inspections of the project, the contact persons being and Larry Krause at 904-669-2154
c. Ellis and Associates will perform all materials testing contracted by Pulte and scheduled through AJJ. Ellis will perform underdrain test pits, soils and materials testing during the project. They ask 24-hour notice to schedule testing. The contact person being Debra Schroeder at 880-0960.
d. At the end of each month, NPDES Reports and an updated over all schedule will be distributed by AJJ at the weekly construction meetings.
e. The Tidewater roadways will be privately owned and maintained.
f. An FPL Electrical pre-construction meeting will be necessary after the electrical design has been completed by FPL and before work is to take place on the underground electric.
g. The electrical contractor for the project will be chosen after the electrical design has been completed.
h. Bellsouth and Comcast will be invited to the Electrical preconstruction meeting to discuss routes for installation of their facilities.
i. Pulte, AJJ and ETM agreed to have progress meetings once a week on the Tuesdays at 11:00a.m. on the project site starting June 1, 2006. At the meetings an updated 3-week schedule shall be provided.

The meeting was adjourned at 10:00am.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE:	)	
	)	Docket No. 060822-TL
Petition of BellSouth Telecommunications, Inc. for Relief from Carrier-of-Last-Resort Obligations Pursuant to Florida Statutes §364.025(6)(d).	)	
	)	Filed: July 9, 2007

AT&T FLORIDA'S *AMENDED* RESPONSE TO STAFF'S FIRST DATA REQUEST BS-1, No. 7

BellSouth Telecommunications, Inc. d/b/a AT&T Florida ("AT&T Florida"), pursuant to Rule 28-106.206, Florida Administrative Code, Rules 1.340 and 1.280, Florida Rules of Civil Procedure, and Florida Public Service Commission Order No. PSC-07-0473-PCO-TL Establishing Procedure, and modified by Order No. PSC-07-0518-PCO-TL, hereby files the following *Amended* Response to the Florida Public Service Commission Staff's (hereinafter "Staff") First Data Request BS-1, No. 7, dated January 29, 2007.

RESPONSE

REDACTED

PROPRIETARY

REQUEST: To the extent not provided in response to Request No. 6, please provide any reports, studies or analyses conducted by or for BellSouth that indicate at what level of demand and for what services provision of service to Riverwood and Coastal Oaks, that BellSouth would break even.

AMENDED RESPONSE:

With the ability to compete against the triply play offered by Comcast with a only stand alone voice offering, AT&T Florida has no idea what penetration rate to expect. This results in extreme uncertainty. To help quantify the value of the uncertainty, AT&T Florida conducted a net present value and cumulative cash flow analysis for the properties in question. The output from this analysis is attached.[1] This information is confidential and proprietary and is being provided subject to the Notice of Intent filed with these responses. To conduct this analysis, AT&T Florida utilized the following inputs:

1. Up front facilities investment costs
2. Operating costs (provisioning, maintenance and repair)
3. Projected revenues
4. Discount rate

As indicated in the affidavit of Larry Bishop, AT&T Florida completed its engineering designs and costs estimates for the provision of service to Riverwood and Coastal Oaks developments. As the model indicates, AT&T Florida will incur an upfront capital cost of $[redacted] to establish entrance facilities for the subdivision. These costs are incurred regardless of the volume of subscribers or the anticipated take rates. In addition to the upfront cost, AT&T Florida will incur additional incremental costs of $[redacted] for every house passed. These facilities must be placed when the subdivision roads are first placed and before any substantive building has been started. Since the company has no way of knowing which customers in the subdivision will ultimately request our service, we must build facilitates such that we can serve any and all households. The model

[1] Non-relevant portions of the documents have been redacted.

REDACTED

RESPONSES (CONT.):

PROPRIETARY

attempts to anticipate the cash flow associated with this incremental build out to coincide with the construction of the four phases of the development. In addition to the capital cost there is an ongoing maintenance expense of $[redacted] per line per month. This cost is estimated based on the average cost of maintenance in Florida as tracked by AT&T Florida's Activity Based Cost Accounting system (ABIS). This system capturers the actual expense for maintenance expended by the company by state and allocates those cost across all in-service lines in the state.

AT&T Florida projected revenues in several steps. The first step was to determine anticipated average revenue per unit (ARPU). To project ARPU, AT&T Florida used its actual weighted average revenue per unit for residential voice service in Florida. The weighting was based on the actual percentage of customers subscribing to basic service local or one of the local voice service packages such as Complete Choice. AT&T Florida added to this revenue per unit a weighted average long distance revenue per line based on actual penetration and average revenue per line in Florida. AT&T Florida did not attempt to capture the expected decline in ARPU as technology substitutes diminish the value of stand alone voice service. The second step was to estimate the number of households to be occupied at various stages of the development. Using the number of living units per phase provided to AT&T Florida by the developer, AT&T Florida evenly spread the occupancy for these two developments over an eight year period. It then considered a half-year convention for calculating the total revenue per household for the first year of occupancy and a 12-month convention for each of the out years.

Using a discount rate of [redacted]%, AT&T Florida evaluated its cumulative cash flow and net present value (NPV) of its investment using various penetration rates. This analysis demonstrated to AT&T Florida that with the limited revenue of a voice-only offering, AT&T Florida could not experience a positive cash flow within a reasonable timeframe using anticipated penetration rates.

REDACTED

RESPONSES (CONT.):

PROPRIETARY

The NVP method allows for applying the time value of money to both cash outflows (money spent) and cash inflows (revenue) over a period of time stated in today dollars. In this model, the initial and incremental capital costs are recovered over time based on the monthly revenue anticipated. The model indicates that you would have to assume a 50% penetration (or take rate) for the project just to recover the capital investment in 10 years.

RESPONSE PROVIDED BY: Pam Tipton - Director Regulatory Policy

Respectfully submitted this 9th day of July, 2007.

AT&T FLORIDA

James Meza III[2]
Tracy W. Hatch
Manuel A. Gurdian
c/o Nancy H. Sims
150 South Monroe Street
Suite 400
Tallahassee, Florida 32301
(305) 347-5558

E. Earl Edenfield, Jr./W.

E. Earl Edenfield, Jr.
AT&T Southeast
675 West Peachtree Street, Suite 4300
Atlanta, Georgia
(404) 335-0763

683727

[2] The undersigned is licensed in Louisiana only, is certified by the Florida Bar as Authorized House Counsel (No. 464260) per Rule 17 of the Rules Regulating the Florida Bar, and has been granted qualified representative status by the Commission in Order No. PSC-07-0211-FOF-OT.

Legal Department

Manuel A. Gurdian
Attorney

AT&T Florida
150 South Monroe Street
Room 400
Tallahassee, Florida 32301
(305) 347-5561

June 25, 2007

Rick Mann
Patrick Wiggins
Staff Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No.: 060822-TL
Petition of BellSouth Telecommunications, Inc. for Relief from Carrier-of-Last-Resort Obligations (COLR) Pursuant to Florida Statutes §364.025(6)(d) for two private subdivisions in Nocatee development

Dear Messrs. Mann and Wiggins:

Enclosed is BellSouth Telecommunications, Inc. d/b/a AT&T Florida's Objections to Staff's First Set of Interrogatories in the captioned docket.

Copies were served on the parties shown on the attached Certificate of Service on June 25, 2007.

Sincerely,

manuel a. Gurdian/bs
D.S.

Manuel A. Gurdian

Enclosures

cc: All Parties of Record
Jerry D. Hendrix
E. Earl Edenfield, Jr.
James Meza III

CERTIFICATE OF SERVICE
Docket No. 060822-TL

I HEREBY CERTIFY that a true and correct copy was served via (*) Electronic Mail, (**) Federal Express and First Class U. S. Mail this 25th day of June, 2007 to the following:

Florida Public Service Commission
Patrick Wiggins, Staff Counsel (*) (**)
Rick Mann, Staff Counsel (*) (**)
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
pwiggins@psc.state.fl.us
rmann@psc.state.fl.us

Nocatee Development Company
Attention: Richard T. Ray
4314 Pablo Oaks Court
Jacksonville, Florida 32224

Anne T. Klinepeter, Registered Agent
4314 Pablo Oaks Court
Jacksonsville, FL 32224

The Parc Group, Inc.
Attention: Richard T. Ray
4314 Pablo Oaks Court
Jacksonville, Florida 32224

Anne T. Klinepeter, Registered Agent
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Jacksonsville, FL 32224

SONOC Company, LLC
Attention: Richard T. Ray
4310 Pablo Oaks Court
Jacksonville, Florida 32224

DDI, Inc., Registered Agent
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Toll Jacksonville Limited Partnership
250 Gibraltar Road
Horsham, PA 19044

CT Corporation System, Registered Agent
1200 South Pine Island Road
Plantation, FL 33324

Pulte Home Corporation
100 Bloomfield Hills Parkway
Suite 300
Bloomfield Hills, MI 48304

CT Corporation System, Registered Agent
1200 South Pine Island Road
Plantation, FL 33324

Nocatee Development Company/SONOC Company LLC
M. Lynn Pappas (*) (#)
c/o Pappas Law Firm
245 Riverside Avenue, Suite 400
Jacksonville, FL 32202
Tel. No. (904) 353-1980
Fax No. (904) 353-5217
lpapas@papnet.com

Floyd R. Self (*) **(+)**
Messer Caparello & Self, P.A.
Regional Center Office Park
2618 Centennial Place
P.O. Box 15579 (32317)
Tallahassee, FL 32308
Tel. No. (850) 222-0720
Fax. No. (850) 224-4359
fself@lawfla.com
Represents Nocatee

Manuel A. Gurdian / bdg D.S.
Manuel A. Gurdian

(+) Signed Protective Agreement

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE:	)	
	)	Docket No. 060822-TL
Petition of BellSouth Telecommunications, Inc. for Relief from Carrier-of-Last-Resort Obligations Pursuant to Florida Statutes §364.025(6)(d).	)	
	)	Filed: June 25, 2007

AT&T FLORIDA'S OBJECTIONS TO STAFF'S FIRST SET OF DISCOVERY

BellSouth Telecommunications, Inc. d/b/a AT&T Florida ("AT&T Florida"), pursuant to Rule 28-106.206, Florida Administrative Code, Rules 1.340 and 1.280, Florida Rules of Civil Procedure, and Florida Public Service Commission Order No. PSC-07-0473-PCO-TL Establishing Procedure, hereby files the following objections to the Florida Public Service Commission Staff's (hereinafter "Staff") First Set of Interrogatories and First Request for Documents, dated June 19, 2007.

The objections stated herein are preliminary in nature. Should additional grounds for objection be discovered as BellSouth prepares its responses to these discovery requests, BellSouth reserves the right to supplement, revise, or modify its objections at the time it serves its responses.

GENERAL OBJECTIONS

1. AT&T FLORIDA objects to the Discovery to the extent it seeks to impose an obligation on AT&T FLORIDA to respond on behalf of subsidiaries, affiliates, or other persons that are not parties to this case on the grounds that such discovery is overly broad, unduly burdensome, oppressive, and not permitted by applicable discovery rules.

2. AT&T FLORIDA objects to the Discovery to the extent it is intended to apply to matters other than those subject to the jurisdiction of the Commission. AT&T FLORIDA objects to such requests as being irrelevant, overly broad, unduly burdensome, and oppressive.

3. AT&T FLORIDA objects to each and every Discovery request and instruction to the extent that such request or instruction calls for information that is exempt from discovery by virtue of the attorney-client privilege, work product privilege, or other applicable privilege.

4. AT&T FLORIDA objects to each and every Discovery request insofar as the requests are vague, ambiguous, overly broad, imprecise, or utilizes terms that are subject to multiple interpretations but are not properly defined or explained for purposes of these data requests. Any answers provided by AT&T FLORIDA in response to the requests will be provided subject to, and without waiver of, the foregoing objection.

5. AT&T FLORIDA objects to each and every Discovery request insofar as they are not reasonably calculated to lead to the discovery of admissible evidence and are not relevant to the subject matter of this action.

6. AT&T FLORIDA objects to providing information to the extent that such information is already in the public record before the Commission or already in the possession of Staff.

7. AT&T FLORIDA objects to the Discovery requests, instructions and definitions, insofar as they seek to impose obligations on AT&T FLORIDA that exceed the requirements of the Florida Rules of Civil Procedure or Florida law.

8. AT&T FLORIDA objects to each and every Discovery request that are unduly burdensome, expensive, oppressive, or excessively time consuming as written.

9. AT&T FLORIDA is a large corporation with employees located in many different locations in Florida and in other states. In the course of its business, AT&T FLORIDA creates countless documents that are not subject to Commission or FCC retention of records requirements. These documents are kept in numerous locations that are frequently moved from site to site as employees change jobs or as the business is reorganized. Therefore, it is possible that not every document has been identified in response to these requests. AT&T FLORIDA will conduct a search of those files that are reasonably expected to contain the requested information. To the extent that the requests purport to require more, AT&T FLORIDA objects on the grounds that compliance would impose an undue burden or expense.

10. AT&T FLORIDA objects to each and every Discovery request to the extent that the information requested constitutes "trade secrets" pursuant to Florida Statutes. To the extent that Staff requests proprietary confidential business information, AT&T FLORIDA will make such information available upon execution and in accordance with a protective agreement, subject to any other general or specific objections contained herein.

11. AT&T FLORIDA objects to any Discovery request that seeks to obtain "all" of particular documents, items, or information to the extent that such requests are overly broad and unduly burdensome. Any answers provided by AT&T FLORIDA in response to this discovery will be provided subject to, and without waiver of, the foregoing objection.

000117

Legal Department

Manuel A. Gurdian
Attorney

AT&T Florida
150 South Monroe Street
Room 400
Tallahassee, Florida 32301
(305) 347-5561

June 25, 2007

Ms. Ann Cole
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No.: 060822-TL
Petition of BellSouth Telecommunications, Inc. for Relief from Carrier-of-Last-Resort Obligations (COLR) Pursuant to Florida Statutes §364.025(6)(d) for two private subdivisions in Nocatee development

Dear Ms. Cole:

Today, BellSouth Telecommunications, Inc. d/b/a AT&T Florida served its Objections to Staff's First Set of Interrogatories, in the captioned docket.

Copies were served to the parties shown on the attached Certificate of Service on June 25, 2007.

Sincerely,

Manuel A. Gurdian /bys

Manuel A. Gurdian

Enclosures

cc: All Parties of Record
Jerry D. Hendrix
E. Earl Edenfield, Jr.
James Meza III

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Docket No. 060822-TL

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Patrick Wiggins, Staff Counsel (*) (**)
Rick Mann, Staff Counsel (*) (**)
2540 Shumard Oak Boulevard
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pwiggins@psc.state.fl.us
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Floyd R. Self (*) **(+)**
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Tel. No. (850) 222-0720
Fax. No. (850) 224-4359
fself@lawfla.com
Represents Nocatee

Manuel A. Gurdian / by D.S.
Manuel A. Gurdian

(+) Signed Protective Agreement

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE:	)	
	)	Docket No. 060822-TL
Petition of BellSouth Telecommunications, Inc. for Relief from Carrier-of-Last-Resort Obligations Pursuant to Florida Statutes §364.025(6)(d).	)	
	)	Filed: June 25, 2007

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The objections stated herein are preliminary in nature. Should additional grounds for objection be discovered as BellSouth prepares its responses to these discovery requests, BellSouth reserves the right to supplement, revise, or modify its objections at the time it serves its responses.

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SPECIFIC OBJECTIONS

AT&T Florida
Florida Public Service Commission
Docket No. 060822-TL
Staff's 1st Set of Interrogatories
June 19, 2007
Item No. 9
Page 1 of 1

REQUEST: If the COLR waiver is granted for Riverwood and Coastal Oaks, please describe under what circumstances and conditions, if any, that AT&T would provide service to these subdivisions.

RESPONSE: Objection. This interrogatory request calls for speculation and is overbroad, unduly burdensome and is not reasonably calculated to lead to the discovery of admissible evidence.

000123

REQUEST: To the extent not provided in response to Interrogatory No. 9, would AT&T charge the developer the same amount shown on page 15, line 2 of witness Bishop's testimony ($443,935) in order to provide service? Please explain fully why or why not.

RESPONSE: Objection. This interrogatory request calls for speculation and is overbroad, unduly burdensome and is not reasonably calculated to lead to the discovery of admissible evidence.

000124

REQUEST: Please identify every instance within the past five years where AT&T in Florida has assessed construction charges, net of five years' exchange revenues, to a developer.

RESPONSE: Objection. This interrogatory request is overbroad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence in that AT&T Florida's mechanized systems are not designed to record as a separate item whether or not a particular customer is a "developer". Thus, AT&T Florida is unable to determine whether a particular customer is a "developer" without reviewing each individual special construction job in Florida for the past five years, which totals 6651 jobs. In addition, AT&T Florida would be unable to determine whether it performed a five year exchange revenue analysis for a job without reviewing each individual job.

REQUEST: Please identify every instance within the past five years where AT&T in Florida has required a deposit from a developer prior to commencing construction, pursuant to Rule 25-4.094, Florida Administrative Code, or any other legal authority. For each such instance, please identify the legal authority upon which AT&T relied.

RESPONSE: Objection. This interrogatory request is overbroad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence in that AT&T Florida's mechanized systems are not designed to record as a separate item whether or not a particular customer is a "developer" and whether the customer paid a deposit. Thus, AT&T Florida is unable to determine whether a particular customer is a "developer" and whether AT&T Florida required a deposit without reviewing each individual special construction job in Florida for the past five years, which totals 6651 jobs.

REQUEST: Please identify every instance within the past five years where AT&T in Florida has assessed construction charges, net of five years' exchange revenues, to a consumer other than a developer.

RESPONSE: Objection. This interrogatory request is overbroad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence in that AT&T Florida's mechanized systems are not designed to record as a separate item whether or not a particular customer is a developer or not and whether the customer paid a deposit or not. Thus, AT&T Florida is unable to determine whether a particular customer is a "developer", whether AT&T Florida required a deposit, and whether it performed a five year exchange revenue analysis without reviewing each individual special construction job in Florida for the past five years, which totals 6651 jobs.

REQUEST: For the purposes of the following request, please refer to the direct testimony of AT&T witness Shiroishi, page 4, lines 12-24; page 12, lines 1-23; page 13, lines 1-20; and page 14, lines 1-2.

(a) If AT&T is relieved of its COLR obligation and one or more of the alleged critical facts supporting AT&T's petition for COLR relief subsequently changes, does AT&T believe that the COLR waiver would remain in effect?

(b) If the answer to (a) is affirmative, please explain AT&T's rationale for its answer.

RESPONSE: (a) Objection, this interrogatory calls for a legal conclusion, is overbroad, unduly burdensome and is not reasonably calculated to lead to the discovery of admissible evidence.

000128

REQUEST: Please provide any documents that support your response to Interrogatory No. 12.

RESPONSE: Objection, this request is overbroad, unduly burdensome and is not reasonably calculated to lead to the discovery of admissible evidence.

000129

REQUEST: Please provide any documents that support your response to Interrogatory No. 13.

RESPONSE: Objection, this request is overbroad, unduly burdensome and is not reasonably calculated to lead to the discovery of admissible evidence.

000130

REQUEST: Please provide any documents that support your response to Interrogatory No. 14.

RESPONSE: Objection, this request is overbroad, unduly burdensome and is not reasonably calculated to lead to the discovery of admissible evidence.

000131

REQUEST: Referring to Exhibit LB-14, please provide the derivation of the ARPU and all supporting documents.

RESPONSE: Objection, this request is overbroad, unduly burdensome and is not reasonably calculated to lead to the discovery of admissible evidence.

REQUEST: Referring to Exhibit LB-12, please provide the derivation of the overhead loading factor and associated supporting documents.

RESPONSE: Objection. This request is overbroad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence.

Respectfully submitted this 25th day of June, 2007.

AT&T FLORIDA

Manuel A. Gurdian / by D.S.

James Meza III[1]
Tracy W. Hatch
Manuel A. Gurdian
c/o Nancy H. Sims
150 South Monroe Street
Suite 400
Tallahassee, Florida 32301
(305) 347-5558

E. Earl Edenfield Jr. / by D.S.

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675 West Peachtree Street, Suite 4300
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682513

[1] The undersigned is licensed in Louisiana only, is certified by the Florida Bar as Authorized House Counsel (No. 464260) per Rule 17 of the Rules Regulating the Florida Bar, and has been granted qualified representative status by the Commission in Order No. PSC-07-0211-FOF-OT.

Legal Department

Manuel A. Gurdian
Attorney

AT&T Florida, Inc.
150 South Monroe Street
Room 400
Tallahassee, Florida 32301
(305) 347-5561

June 26, 2007

Ann Cole
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: **Docket No.: 060822-TL**
Petition of BellSouth Telecommunications, Inc. for Relief from Carrier-of-Last-Resort Obligations Pursuant to Florida Statutes §364.025(6)(d)

Dear Ms. Cole:

Enclosed are an original and fifteen copies of BellSouth Telecommunications, Inc. d/b/a AT&T Florida's Notice of Intent to Request Specified Confidential Classification, which we ask that you file in the captioned docket.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served to the parties shown on the attached Certificate of Service.

Sincerely,

Manuel A. Gurdian (BSS)

Manuel A. Gurdian

Enclosures

cc: Jerry D. Hendrix
E. Earl Edenfield, Jr.
James Meza III

000135

CERTIFICATE OF SERVICE
Docket No. 060822-TL

I HEREBY CERTIFY that a true and correct copy was served via (*) Electronic Mail, (**) Federal Express and First Class U. S. Mail this 26th day of June, 2007 to the following:

Florida Public Service Commission
Patrick Wiggins, Staff Counsel (*) (**)
Rick Mann, Staff Counsel (*) (**)
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
pwiggins@psc.state.fl.us
rmann@psc.state.fl.us

Nocatee Development Company
Attention: Richard T. Ray
4314 Pablo Oaks Court
Jacksonville, Florida 32224

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M. Lynn Pappas (*) (#)
c/o Pappas Law Firm
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Jacksonville, FL 32202
Tel. No. (904) 353-1980
Fax No. (904) 353-5217
lpapas@papnet.com

Floyd R. Self (*) **(+)**
Messer Caparello & Self, P.A.
Regional Center Office Park
2618 Centennial Place
P.O. Box 15579 (32317)
Tallahassee, FL 32308
Tel. No. (850) 222-0720
Fax. No. (850) 224-4359
fself@lawfla.com
Represents Nocatee

Manuel A. Gurdian

(+) Signed Protective Agreement

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE:	)	
	)	Docket No. 060822-TL
Petition of BellSouth Telecommunications, Inc. for Relief from Carrier-of-Last-Resort Obligations Pursuant to Florida Statutes §364.025(6)(d).	)	Filed: June 26, 2007

BELLSOUTH TELECOMMUNICATIONS, INC. D/B/A AT&T FLORIDA'S NOTICE OF INTENT TO REQUEST SPECIFIED CONFIDENTIAL CLASSIFICATION

BellSouth Telecommunications, Inc. d/b/a AT&T Florida ("AT&T Florida"), pursuant to Rule 25-22.006, Florida Administrative Code, files its Notice of Intent to Request Specified Confidential Classification.

1. On June 26, 2007, AT&T Florida filed its Responses to Staff's First Set of Interrogatories (Nos. 1-23) and Staff's First Request for Productions of Documents (Nos. 1-18) in the captioned docket.

2. The Attachment in response to Interrogatory 18 and Attachments responding to Production of Documents Nos. 3, 4, 5, 6, 7, 13, 14, 16, and 17 contain information to be considered confidential business information. AT&T Florida is now filing this Notice of Intent to Request Specified Confidential Classification pursuant to Rule 25-22.006(3)(a), Florida Administrative Code, in order to allow the Commission to take possession of this material without delay. The original of this notice has been filed with the Office of the Commission Clerk, and a copy has been served on all parties of record.

Respectfully submitted this 26th day of June, 2007.

JAMES MEZA III
AUTHORIZED HOUSE COUNSEL NO. 464260
MANUEL A. GURDIAN
AT&T Florida
c/o Nancy Sims
150 South Monroe Street, Suite 400
Tallahassee, FL 32301
(305) 347-5558

E. EARL EDENFIELD, JR
AT&T Southeast
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675 W. Peachtree St., NE
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#682622

Manuel A. Gurdian
Attorney

AT&T Florida
150 South Monroe Street
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Tallahassee, Florida 32301
(305) 347-5561

June 26, 2007

Rick Mann
Patrick Wiggins
Staff Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No.: 060822-TL
Petition of BellSouth Telecommunications, Inc. for Relief from Carrier-of-Last-Resort Obligations (COLR) Pursuant to Florida Statutes §364.025(6)(d) for two private subdivisions in Nocatee development

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Sincerely,

Manuel A. Gurdian (SSS)

Manuel A. Gurdian

Enclosures

cc: Jerry D. Hendrix
E. Earl Edenfield, Jr.
James Meza III

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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3. AT&T FLORIDA objects to each and every Discovery request and instruction to the extent that such request or instruction calls for information that is exempt from discovery by virtue of the attorney-client privilege, work product privilege, or other applicable privilege.

4. AT&T FLORIDA objects to each and every Discovery request insofar as the requests are vague, ambiguous, overly broad, imprecise, or utilizes terms that are subject to multiple interpretations but are not properly defined or explained for purposes of these data requests. Any answers provided by AT&T FLORIDA in response to the requests will be provided subject to, and without waiver of, the foregoing objection.

5. AT&T FLORIDA objects to each and every Discovery request insofar as they are not reasonably calculated to lead to the discovery of admissible evidence and are not relevant to the subject matter of this action.

6. AT&T FLORIDA objects to providing information to the extent that such information is already in the public record before the Commission or already in the possession of Staff.

7. AT&T FLORIDA objects to the Discovery requests, instructions and definitions, insofar as they seek to impose obligations on AT&T FLORIDA that exceed the requirements of the Florida Rules of Civil Procedure or Florida law.

8. AT&T FLORIDA objects to each and every Discovery request that are unduly burdensome, expensive, oppressive, or excessively time consuming as written.

9. AT&T FLORIDA is a large corporation with employees located in many different locations in Florida and in other states. In the course of its business, AT&T FLORIDA creates countless documents that are not subject to Commission or FCC retention of records requirements. These documents are kept in numerous locations that are frequently moved from

site to site as employees change jobs or as the business is reorganized. Therefore, it is possible that not every document has been identified in response to these requests. AT&T FLORIDA will conduct a search of those files that are reasonably expected to contain the requested information. To the extent that the requests purport to require more, AT&T FLORIDA objects on the grounds that compliance would impose an undue burden or expense.

10. AT&T FLORIDA objects to each and every Discovery request to the extent that the information requested constitutes "trade secrets" pursuant to Florida Statutes. To the extent that Staff requests proprietary confidential business information, AT&T FLORIDA will make such information available upon execution and in accordance with a protective agreement, subject to any other general or specific objections contained herein.

11. AT&T FLORIDA objects to any Discovery request that seeks to obtain "all" of particular documents, items, or information to the extent that such requests are overly broad and unduly burdensome. Any answers provided by AT&T FLORIDA in response to this discovery will be provided subject to, and without waiver of, the foregoing objection.

RESPONSES

REQUEST: For purposes of the following request, please refer to the direct testimony of AT&T witness Shiroishi, page 5, lines 1-25; page 6, lines 1-22; and page 7 lines 18-21. In answering these interrogatories, please explain the intent of the Universal Service/COLR statute, section 364.025, Florida Statutes, as you understand it and identify the criteria you use to determine that the intent is met or not met, also clearly explain the terms you use, such as "basic voice service and "reasonable."

(a) If AT&T's petition is granted, please explain how the intent of the COLR statute would be satisfied if no other provider of basic voice service is obligated by statute to provide basic voice serve in a reasonable amount of time and at reasonable rates to all the residents in the development.

(b) Please provide further clarification and explanation as to which companies AT&T believes the COLR and Universal Service statute applies. For example, please explain whether or not AT&T believes the COLR and Universal Service statute applies to local exchange companies, cable service providers such as Comcast, wireless providers, or competitive local exchange companies.

(c) If not already answered, with respect to the intent of the Universal Service/COLR Statute, is the intent of the statute satisfied where the ILEC/COLR is granted relief from the COLR obligation if:

(i) The other available voice providers do not provide basic voice service but rather VoIP and wireless? Please explain.

(ii) The other available voice providers do provide basic voice service but are under no statutory or contractual obligation to provide service to customers within the development? Please explain.

(d) For the purpose of honoring the statutory intent of Section 364.025, F.S., does AT&T believe that the customer's legal right to demand service is a factor that must or should be considered in determining a petition for relief from the COLR obligation? Please explain.

RESPONSE: (a) As an initial matter, pursuant to the 2006 revisions to the COLR statute, the Legislature has determined that, in certain circumstances, local exchange companies ("LECs") do not have a COLR obligation. Thus, the COLR statute is not limitless and does not apply in all scenarios.

AT&T Florida submits that this case is one of the scenarios that the Legislature determined the LEC should be relieved of its COLR obligation. No resident of the private subdivisions of Nocatee will be without voice service if AT&T Florida's Petition is granted. Indeed, the residents of the Riverwood and Coastal Oaks subdivisions will be able to obtain voice service from Comcast, other VoIP providers or from a wireless carrier. As former Commissioner Deason stated, "if there are viable alternatives to customers, then they have service, and that is the primary requirement of COLR obligations it seems to me." *See* Docket No. 060554-TL, Dec. 19, 2006 Agenda Conference Transcript at 25-26.

(b) Florida Statutes Section 364.025 deals with LECs. Florida Statutes Section 364.025(5) also provides that a competitive local exchange telecommunications company may petition the Commission to become the universal service provider and carrier of last resort in areas requested to be served by that competitive local exchange telecommunications company. The statute further provides that the Commission may grant the competitive local exchange telecommunications company's request. If a carrier is not a LEC or is not subject to the jurisdiction of the Commission (e.g. cable companies providing unregulated voice service), then that carrier is not subject to the COLR statute.

RESPONSE: (Cont.)

(c) (i) Yes. Under Florida Statutes Section 364.025(6)(a)3, "communications service" means voice service or voice replacement service through the use of any technology. AT&T Florida believes that VoIP and wireless services qualify as a "communications service" under Florida Statutes Section 364.025. Further, the Commission determined in Docket No. 060763-TL that Comcast's Digital Voice product and wireless service present alternative voice service for residents in a development: "...[W]e find that voice service from other providers using Voice over Internet Protocol technology and wireless cellular technology will be available on an individual customer basis at retail prices to the residents living within the Treviso Bay development at the time of each resident's occupancy." *See* Order No. PSC-07-0331-FOF-TL at 5.

(ii) Yes. In today's highly competitive communications environment, regulated and unregulated companies are competing for the same customer. The intent of the COLR statute is that customers have access to voice service. The fact that the Commission does not regulate alternative voice providers is not determinative of the issue. Indeed, in revising Section 364.025, the Legislature has granted LECs automatic relief in situations where an alternative, unregulated carrier is providing voice service.

(d) For purpose of this Petition, the Developer, standing in the shoes of future residents, has requested voice service only from AT&T Florida. Thus, this potential fact is already at issue in this Proceeding. Generally speaking, however, the customer's legal right to "demand service" is not an unlimited right. Accordingly, while the Commission is free to consider all relevant facts in determining whether "good cause" has been established, consideration of a customer's historical COLR rights is not determinative of the issue.

RESPONSE PROVIDED BY: Beth Shiroishi - Sr. Director, Regulatory Planning & Policy

REQUEST: For purposes of the following request, please refer to the direct testimony of AT&T witness Shiroishi, page 7, lines 1-8, and page 8, lines 7-10.

(a) In regard to duplicating Comcast's network, please provide a technical explanation of how AT&T's network is a duplicate of Comcast's network and clearly identify the criteria you use to determine your conclusion.

(b) If AT&T had a non-restrictive easement for Nocatee, would a potential AT&T customer in Riverwood or Coastal Oaks be required to first purchase AT&T's broadband Internet service to obtain basic voice service from AT&T?

(c) To the best of your knowledge, would a potential Comcast Digital Voice Customer be required to first obtain Comcast broadband service as a prerequisite to obtaining Comcast Digital Voice Service?

(d) In regard to Exhibit ERAS-1, does AT&T utilize a similar configuration as illustrated in the exhibit to provide basic voice service to its customers? Explain your understanding of the term "similar configuration" and clearly explain why your answer is Yes or No.

(e) If the answer to (d) is not affirmative, please clearly explain how AT&T connects customer-provided equipment (telephone) to its network interface device that is attached to the customer premises.

RESPONSE:

a) AT&T Florida defines a duplicative network as one resulting from the placement of like facilities by two or more providers that are capable of supporting similar service offerings to the same group of customers or end users. In the case of the private communities in Nocatee, Comcast will build a network that is capable of, and will, provide video, data and voice services to the residents in that community. Indeed, Nocatee concedes in Paragraph 68 of their Answer that (upon information and belief) Comcast will provide voice services in the Nocatee community.

RESPONSE: (Cont.)

The network that AT&T Florida will have to deploy to provide services (in this instance limited to voice) will duplicate the network deployed by Comcast. In order to install facilities to the individual living units in the private communities of Nocatee, AT&T Florida would: 1) install essentially identical facilities in each easement, 2) extend those facilities to the same individual homes; 3) construct virtually identical fiber distribution facilities, and 4) mirror the installation of the electronic components necessary for the operation of the fiber facilities. In all respects, then, and by any measure, those facilities would be duplicative of the facilities that are planned to be installed by Comcast under the arrangement between Comcast and the developer. *See also*, AT&T Florida's response to Staff's First Data Request Item No. 2.

(b) No.

(c) AT&T Florida is not aware of whether a potential Comcast Digital Voice Customer would be required to first obtain Comcast broadband service as a prerequisite to obtaining Comcast Digital Voice Service.

(d) In order to provide voice service, AT&T Florida would not require the placement of an eMTA type device inside of the home. The customer would be able to connect the telephone directly to the phone jack in the wall.

RESPONSE: (Cont.)

(e) The Network Interface Unit attached to the side of the home connects AT&T Florida's buried service drop to the inside wiring that is run throughout the home by the developer or customer. The inside wiring is terminated onto the telephone jacks in the different rooms throughout the home. In order to use AT&T Florida's voice service, an AT&T Florida customer must simply connect the telephone directly to the phone jack.

RESPONSE PROVIDED BY: Beth Shiroishi - Sr. Director, Regulatory Planning & Policy
Larry Bishop – Supervising Manager,
Network Operations Support

REQUEST: For purposes of the following request, please refer to the direct testimony of AT&T witness Shiroishi, page 14, lines 17-21, and page 15, lines 15-21.

(a) Please explain why AT&T believes that it would not be able to provide any other bundled promotions to the Nocatee residents.

(b) Has AT&T considered offering a "triple play" promotion, as that term is commonly used in the telecommunications industry, which would include voice, satellite television and wireless service to the Nocatee residents?

RESPONSE: (a) AT&T Florida's bundled promotions include wireline broadband services, which AT&T Florida is prohibited from providing in the private subdivisions of Nocatee.

(b) AT&T Florida makes decisions on promotions and product offerings based on a myriad of factors, including customer desire. At this time, AT&T Florida does not have a triple play promotion that includes voice, satellite television and wireless service.

RESPONSE PROVIDED BY: Beth Shiroishi - Sr. Director, Regulatory Planning & Policy

REQUEST: For purposes of the following request, please refer to the direct testimony of AT&T witness Shiroishi, page 12, lines 22-23, and page 13, lines 1-2.

(a) Please list and describe all services included in AT&T's full panoply of services it can offer residential customers.

(b) Please list those services in (a) above that AT&T is contractually prohibited by the developer to provide to the residents of Nocatee.

RESPONSE:

(a) AT&T Florida's regulated service offerings are found in the Florida General Subscriber Service's Tariff. Additionally, in Florida, AT&T offers broadband services, wireless services, and satellite television products (through a marketing relationship with DirecTV). The descriptions and prices for which can be found at http://www.att.com/gen/landing-pages?pid=3308

(b) AT&T Florida is prohibited by the developer, via the proposed easement, from providing broadband services and video services (including IPTV) in the private subdivisions of Nocatee.

RESPONSE PROVIDED BY: Beth Shiroishi - Sr. Director, Regulatory Planning & Policy

REQUEST: For purposes of the following request, please refer to AT&T's Petition for COLR Relief, pages 10-11, paragraph 23.

(a) AT&T indicates that it will incur costs to modify its front-end ordering and provisioning systems to comply with the voice-only restriction in the two Nocatee subdivisions. Has AT&T included costs for the modifications of these systems in its projected costs for the Riverwood and Coastal Oaks developments presented in Exhibit LB-10 of the direct testimony of AT&T witness Bishop?

(b) If the response to (a) is affirmative, please separately and clearly state these costs for each development.

(c) If the response to (a) is affirmative, please explain whether AT&T has or has not modified these systems for other developments wherein an exclusive agreement existed between a developer or home-owners association and another data/video provider exists.

(d) If the response to (a) is affirmative and the response to (c) is that AT&T has modified these systems, please clearly explain why AT&T seeks in this matter additional payment for modifications that already been performed.

RESPONSE: (a) No, AT&T Florida did not include costs for the modifications of these systems in its projected costs for the Riverwood and Coastal Oaks developments.

(b) N/A.

(c) N/A.

(d) N/A.

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager, Network Operations

REQUEST: At the May 24 meeting referenced in the direct testimony of AT&T witness Bishop, page 17, lines 11-13, please explain if the parties discussed any alternatives that would influence AT&T's costs and describe the alternatives discussed. For clarification, an example might be that the developer was willing to provide road bores and handhole placements.

RESPONSE: No, there was no discussion to have the developer place infrastructure to reduce the cost to AT&T Florida.

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager, Network Operations

REQUEST: For purposes of the following request, please refer to the direct testimony of AT&T witness Bishop, page 8, lines 5-16.

(a) Is an FTTC network architecture the same architecture that AT&T deploys in all new subdivisions for which it contracts to provide service?

(b) If the response to (a) is affirmative, please identify the date and location of the first FTTC network deployed in a new subdivision by AT&T in Florida.

(c) If the response to (a) is not affirmative, please identify other network architectures that are routinely deployed in new subdivisions and please explain your meaning of "routinely" and identify the criteria used to determine whether another architecture is "routinely" deployed.

(d) Please identify how many residences can be served by a single ONU.

(e) Please identify the designed length of the buried copper service drops that extend from the ONU to a residence (i.e., what is the maximum copper loop length).

(f) Please clearly explain and describe a "service drop enclosure" (e.g., is it analogous to a pedestal).

(g) Is AT&T's proposed FTTC network architecture potentially capable of providing video services?

(h) Is AT&T's proposed FTTC network architecture capable of providing high speed Internet access service?

(i) If the response to (h) is affirmative, please identify the technology or technologies that would be used and the maximum downstream speeds available.

REQUEST: (Cont.)

(j) To the extent provided in response to (a) or (c), please explain why FTTC was chosen instead of a different architecture, such as, for example, one based on a fiber-fed DLC with copper loops emanating from the DLC to individual residences.

(k) Did AT&T determine what the costs would be if it used instead the architecture noted in (j)?

(l) If the response to (k) is affirmative, please identify what those costs would be and clearly explain AT&T's calculation of those costs.

RESPONSE: (a) No. AT&T Florida may choose to place copper facilities into a new development if it is determined that copper is the most cost efficient alternative. Factors that are considered when choosing a network architecture include, but are not limited to: development size, proximity of existing copper and/or fiber facilities, and spare capacity of existing facilities within the area.

(b) N/A.

(c) See response to (a) above.

(d) An ONU has 24 POTS lines available, but due to the drop limitations outlined in response to 7(e), the amount of customers will vary served by a single ONU. The average for Coastal Oaks and Riverwood is 13 to 15 residences per ONU based on the proposed design.

RESPONSE: (Cont.)

(e) The buried copper service drops extend from the ONU to a wire closure located at the property line of each residence. A separate drop extends from the wire closure to the residence demarcation point normally located outside the home adjacent to the power meter. Where buried service wire(s) extends from the ONU to the residence, the maximum loop length is five hundred feet. Where buried service wire(s) extend from a copper sub tending terminal the length of the buried service drop is reduced by the length of the copper cable extending from the ONU to the sub tending terminal.

(f) The service drop closure or wire closure is a flush to grade plastic closure used to store the buried service drop(s) placed at the property line. The wire closures are installed during the placement of the distribution cable and primary buried service drops placed in the right of way. The wire closure is round with a green top lid for access to the drop wire(s). The wire closure dimensions are 10" at the top, 13" at the bottom and 10" deep.

(g) The FTTC network architecture that is proposed by AT&T Florida is potentially capable of providing video service. However, the network facilities that will be placed to serve Riverwood and Coastal Oaks will not be provisioned to provide video service to residents due to the easement restrictions that are in place. In order to provide video service to Riverwood and Coastal Oaks, additional plug ins would be required at the Remote Terminal and each ONU. In addition, a Video Hub Office, which provides the head-end video signal, has not been established in the Jacksonville area.

(h) High speed Internet access service can be provided by the FTTC network architecture, if certain electronic plug ins are installed. The proposed FTTC network for Nocatee will not contain these required elements due to the proposed restricted easement and therefore will not be capable of providing high speed Internet access service.

RESPONSE: (Cont.)

(i) A new software feature package (FP2100 V1.1) for the MX fiber distribution platform was approved by RL:06-09-014BT. This new MX platform can support speeds of up to 24 Mbs downstream and 1 Mbs upstream and in the future will support a target rate of 80 Mb/s downstream and 20 Mb/s upstream. Additional electronic plug ins are required to be placed at the Remote Terminal and at each ONU. However, AT&T Florida currently only offers a maximum of 6 Mbps on the MX fiber distribution platform.

(j) FTTC architecture is a more economical solution to serve the Nocatee development than other networks such as the DLC to copper based facilities. *See also*, AT&T Florida's response to Request for Documents Item No. 6.

(k) Yes, an analysis of cost per single family unit for copper based and FTTC networks were developed from existing Engineering Work Orders (EWO) where both types of facilities were deployed. See also AT&T Florida's response to Request for Documents, Item No. 6.

(l) The estimated cost per single family unit was determined using EWO from existing copper and FTTC developments completed or in progress. The developments used have the same demographics as the Nocatee developments. The cost per living unit was determined by the total cost to build the distribution facilities divided by the number of living units served. See also AT&T Florida's response to Request for Documents, Item No. 6.

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager, Network Operations

REQUEST: For purposes of the following request, please refer to the direct testimony of AT&T witness Bishop, page 14, lines 11-17.

(a) Please identify the "similar networks at similar subdivisions" that were used in the original cost estimate, and the costs per living unit of each.

(b) On page 11 at lines 2-3 it is stated that "Plug-ins are not included in the material cost provided in this testimony." On page 14 at lines 15-17 it indicates that network interface units were not included. Please distinguish clearly between plug-ins and network interface units.

(c) If network interface units are not included in the cost estimates presented by AT&T to the developer, will the developer subsequently be charged by AT&T for the NIUs as homes become occupied and service provided? Please explain.

RESPONSE: (a) See AT&T Florida's Response to Request for Documents, Item No. 6.

(b) Plug-ins are electronic cards that are placed in the electronic equipment at the Remote Terminal and ONUs. Network interface units are devices placed at each living unit, usually on the side of each house, to provide a cross connect point for AT&T Florida's buried service drop and the inside wiring within the living unit.

(c) NIUs were not included in the original cost estimate included in the petition. The cost of the NIUs were subsequently added to the cost estimate provided to the developer on May 8, 2007 as described in Larry Bishop's direct testimony.

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager, Network Operations

REQUEST: If the COLR waiver is granted for Riverwood and Coastal Oaks, please describe under what circumstances and conditions, if any, that AT&T would provide service to these subdivisions.

RESPONSE: Objection. This interrogatory request calls for speculation and is overbroad, unduly burdensome and is not reasonably calculated to lead to the discovery of admissible evidence.

Notwithstanding, subject to and without waiving said objections, if the COLR waiver is granted for Riverwood and Coastal Oaks and the restricted easement stays as currently proposed, AT&T Florida would provide voice service to these subdivisions if the developer paid the special construction charges submitted by AT&T Florida.

RESPONSE PROVIDED BY: Beth Shiroishi - Sr. Director, Regulatory Planning & Policy

REQUEST: To the extent not provided in response to Interrogatory No. 9, would AT&T charge the developer the same amount shown on page 15, line 2 of witness Bishop's testimony ($443,935) in order to provide service? Please explain fully why or why not.

RESPONSE: Objection. This interrogatory request calls for speculation and is overbroad, unduly burdensome and is not reasonably calculated to lead to the discovery of admissible evidence.

Notwithstanding, subject to and without waiving said objections, assuming that there are no change in circumstances that would affect facilities deployment, anticipated take rate, or the projected build-out of homes in the subdivisions for the first phase of construction, then the amount referenced would stay the same.

RESPONSE PROVIDED BY: Beth Shiroishi - Sr. Director, Regulatory Planning & Policy
Larry Bishop – Supervising Manager, Network Operations

REQUEST: By way of clarification, does the amount shown on page 15 line 2 of AT&T witness Bishop's direct testimony consist solely of materials and labor costs, plus overhead loadings? Please fully explain your response.

RESPONSE: The amount shown on page 15, line 2 of Larry Bishop's testimony was determined by subtracting the forecasted 5-year revenue from the total cost (includes materials, labor and overhead) required to place facilities to serve the initial phases of Riverwood and Coastal Oaks.

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager, Network Operations

REQUEST: Please identify every instance within the past five years where AT&T in Florida has assessed construction charges, net of five years' exchange revenues, to a developer.

RESPONSE: Objection. This interrogatory request is overbroad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence in that AT&T Florida's mechanized systems are not designed to record as a separate item whether or not a particular customer is a "developer". Thus, AT&T Florida is unable to determine whether a particular customer is a "developer" without reviewing each individual special construction job in Florida for the past five years, which totals 6651 jobs. In addition, AT&T Florida would be unable to determine whether it performed a five year exchange revenue analysis for a job without reviewing each individual job.

Notwithstanding and without waiving said objection, prior to the amendment of the statutory language in Florida Statutes Section 364.025 in 2006, allowing AT&T Florida to seek relief from its COLR obligations when "good cause" is shown, AT&T Florida performed the five year exchange analysis on a general basis when required by the language in AT&T Florida's A5 Tariff.

Since the amendment of the referenced statutory language in Florida Statutes Section 364.025, AT&T Florida has requested payment of special construction charges from developers of the following projects: Villages of Avalon, Phase II; Nocatee; Cabana South Beach, Phase II and Brookhaven Apartments.

To date, AT&T Florida has not received payment from any of the developers with regard to the above-referenced projects.

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager, Network Operations
Rick Vinson, Specialist-Network Services

REQUEST: Please identify every instance within the past five years where AT&T in Florida has required a deposit from a developer prior to commencing construction, pursuant to Rule 25-4.094, Florida Administrative Code, or any other legal authority. For each such instance, please identify the legal authority upon which AT&T relied.

RESPONSE: Objection. This interrogatory request is overbroad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence in that AT&T Florida's mechanized systems are not designed to record as a separate item whether or not a particular customer is a "developer" and whether the customer paid a deposit. Thus, AT&T Florida is unable to determine whether a particular customer is a "developer" and whether AT&T Florida required a deposit without reviewing each individual special construction job in Florida for the past five years, which totals 6651 jobs.

REQUEST: Please identify every instance within the past five years where AT&T in Florida has assessed construction charges, net of five years' exchange revenues, to a consumer other than a developer.

RESPONSE: Objection. This interrogatory request is overbroad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence in that AT&T Florida's mechanized systems are not designed to record as a separate item whether or not a particular customer is a developer or not and whether the customer paid a deposit or not. Thus, AT&T Florida is unable to determine whether a particular customer is a "developer", whether AT&T Florida required a deposit, and whether it performed a five year exchange revenue analysis without reviewing each individual special construction job in Florida for the past five years, which totals 6651 jobs.

Notwithstanding and without waiving said objection, prior to the amendment of the statutory language in Florida Statutes Section 364.025 in 2006, allowing AT&T Florida to seek relief from its COLR obligations when "good cause" is shown, AT&T Florida performed the five year exchange revenue analysis on a general basis when required by the language in AT&T Florida's A5 Tariff.

RESPONSE PROVIDED BY: Rick Vinson, Specialist-Network Services

REQUEST: Please explain and define "unwise economic investments as used in the direct testimony of AT&T witness Shiroishi on page 11, lines 6-9."

RESPONSE: Witness Shiroishi's testimony uses the phrase "unwise economic investments" in the same context as the phrase "uneconomic" was used in AT&T Florida's Petition. For an explanation of this phrase, please refer to the response to Item No. 8 in AT&T Florida's responses to Staff's 1st Data Request on 1/29/07.

RESPONSE PROVIDED BY: Beth Shiroishi - Sr. Director, Regulatory Planning & Policy

REQUEST: Referring to paragraph 30 of the Petition, is it AT&T Florida's position that provision of voice-only serviced to Riverwood and Coastal Oaks would be "uneconomic"? Please define "uneconomic" as it is used in this paragraph.

RESPONSE: In paragraph 30, AT&T Florida contends that being required, subject to a carrier of last resort ("COLR") requirement, to provide voice-only services to Riverwood and Coastal Oaks would force AT&T Florida to "make unwise economic decisions" in the form of "installing duplicative facilities with no certainty of ever recouping the costs, much less being able to make any positive return on the investment." The reasons for that assertion are as follows.

First, the COLR requirement is anachronistic in today's competitive telecommunications marketplace. When coupled with a voice-only restriction, that outdated requirement becomes even more onerous from an economic standpoint. The COLR requirement is essentially a holdover from the pre-competitive era in which the ILEC, such as AT&T Florida, constituted the entire supply side of the market. Accordingly, there was legitimate concern that, in the absence of an explicit COLR requirement, certain classes of customers or customers at certain locations would be unable to receive telecommunications service at affordable prices. Under the prevailing regulatory compact, the ILEC with the COLR obligation was also assured of an opportunity to eventually recover all its costs, including those that arose specifically from meeting that obligation. In the current competitive marketplace, where customers are free to seek out new sources of service (including those through exclusive contractual arrangements as in Riverwood and Coastal Oaks), the economic realities and regulatory compacts of the pre-competitive COLR era no longer exist. As a result, holding AT&T Florida to an outdated COLR obligation would subject it to an unfair, burdensome, and unsustainable economic reality that is completely at odds with today's competitive telecommunications environment.

RESPONSE (CONT.):

Second, in striking contrast to the COLR-era telecommunications marketplace (when services offered were predominantly voice-based), rapid technological progress — exemplified by the deployment of new fiber-based next generation networks and broadband services — has fundamentally altered what customers want, how they are served, and who serves them. Provision of the "triple play" — the term used for the combination of voice, video, and data (Internet) services that customers now routinely demand — now dominates all new telecommunications investment decisions, whether by ILECs or their competitors (including cable, wireless, and other networks that now compete for the same telecommunications customers). Because of the substantial economies of scope in that provision through the new fiber-based networks, as well as rising customer demand for single-source or bundled offerings, service providers can plan to provide any single service instead of all three only at their economic peril. Compounding this new fact of life is the meteoric rise of alternative forms of voice service, such as wireless and voice over the Internet protocol ("VoIP"). These offer new and highly competitive options for voice service to customers and further reduce the rationale for any voice-only COLR obligation for ILECs. In these circumstances, if a COLR obligation must continue to exist for ILECs — and, in the present competitive environment, there is no compelling reason that it should — then, at the very least, it should permit the carrier with the COLR obligation to offer the triple play.

Finally, the world of competitive telecommunications ushered in by the Telecommunications Act of 1996 and similar facilitating legislation in individual states can only fulfill its promise if carriers — traditional or intermodal, incumbent or new entrant — can truly compete among themselves and undertake economically sustainable investments that lead to new and innovative services and service delivery mechanisms. In that respect, the telecommunications industry must now be self-regenerating and individual service and network providers must succeed or fail on the merits of their market performance. Their economic fortunes should be driven by the investment decisions they make and the variety and quality of services they provide, rather than by outdated and asymmetric regulatory obligations. Any COLR requirement, coupled with a voice-

RESPONSE (CONT.):

only restriction for AT&T Florida, represents precisely such a regulatory obligation that is squarely at odds with both the vision of telecommunications laws that foster competition and the technological and market realities that have emerged over the past decade. Precisely for this reason, Section 364.025(6) of the Florida Statutes was enacted to provide COLR relief to the ILEC if various market-based tests were met.

AT&T Florida has conducted the standard market-based feasibility tests for any new investment that would be required to serve the residents of Riverwood and Coastal Oaks, particularly with a voice-only limitation that would (1) also limit how efficiently AT&T Florida could use its new facilities to provide service and (2) maintain a very high level of uncertainty about customer demand for voice-only service in an environment marked by bundled offerings of the triple play. As with all new investments in a competitive market, AT&T Florida has conducted an analysis based on its projections of revenues and costs (both capital and expenses) over a 20-year time span. To this end, AT&T Florida has used a conservatively low discount rate, based its revenue projections on average voice only revenue per user ("ARPU") estimate derived from its present customer base, and utilized various anticipated penetration rates in the new developments. Even with conservative assumptions and best-case scenarios, AT&T Florida's evaluation shows that it would take a penetration rate for voice service approaching half the potential customers in the new developments to even recover its investment in about 8-10 years. If there is any uncertainty — and, presently, that level of uncertainty is very high — about being able to achieve such an extraordinarily high penetration rate in the presence of the voice-only restriction, the long recovery period in a rapidly changing marketplace can prove to be financially and economically unwise and unsustainable. At more realistic, i.e., lower, levels of the penetration rate, coupled with a more realistic declining ARPU, given technology substitution, the investment recovery period appears to be even longer and, therefore, even

RESPONSE (CONT.):

less prudent or economically feasible. In fact, if — as is increasingly the norm in highly uncertain environments — real options analysis is applied , the economic infeasibility of AT&T Florida's investment in Riverwood and Coastal Oaks to provide voice-only services is likely to be amplified.

RESPONSE PROVIDED BY: Aniruddha Banerjee Ph.D

REQUEST: For purposes of the following request, please refer to the direct testimony of AT&T witness Shiroishi, page 21, lines 19-22.

(a) By way of clarification does AT&T contend that this Commission should find that AT&T should be allowed to assess line extension charges to developers for the provision of new facilities contiguous to existing communities, whether or not a COLR waiver is granted?

(b) If the response to (a) is negative, please fully clarify AT&T's position.

RESPONSE: (a) Yes.

(b) N/A.

RESPONSE PROVIDED BY: Beth Shiroishi - Sr. Director, Regulatory Planning & Policy

REQUEST: For purposes of the following request, please refer to the direct testimony of AT&T witness Shiroishi, page 13, footnote 2.

(a) Please define the specific revenue components that are in the ARPU.

(b) Are all residential lines (presumably both those in bundles and those purchased standalone) throughout AT&T's Florida service area included in the calculation cited by AT&T witness Shiroishi?

(c) If the response to (b) is negative, please clearly identify those categories of residential lines are excluded from the analysis.

RESPONSE: (a) Monthly recurring revenue for local voice service (including revenue from any associated features), monthly revenue associated with Area Plus, subscriber line charge, and long distance service revenue.

(b) All residential voice lines are included in the calculation, including those in bundles and those purchased standalone.

(c) N/A.

RESPONSE PROVIDED BY: Beth Shiroishi - Sr. Director, Regulatory Planning & Policy

REQUEST: For purposes of the following request, please refer to the direct testimony of AT&T witness Shiroishi, page 4, lines 22-24, where it is stated that " . . . serving Nocatee with voice service only results in an uneconomic investment for AT&T Florida and effectively denies advanced services to even more Florida consumers.

(a) Please clearly define AT&T's term "uneconomic investment."

(b) Please explain how providing voice service only to Nocatee "denies advanced service."

(c) Does AT&T contend that deploying infrastructure to Nocatee only to provide voice service is uneconomic because AT&T will be unable to recover its costs and earn a return on its invested capital over the life of these assets?

(d) If the response to (c) is affirmative, please identify studies, reports and/or analyses conducted by or on behalf of AT&T that support this claim.

(e) If the response to (c) is negative, to the extent not provided in response to (a), please clarify what AT&T means by "uneconomic."

RESPONSE: (a) Please see response to Item Number 15.

(b) Forcing AT&T Florida to invest $1.8M at Nocatee to provide only voice service in an area which will already have voice alternatives will provide little benefit to the residents of Nocatee. This $1.8M could instead be spent bringing advanced voice, data and video products to other residents of Florida who will be able to choose to avail themselves of these services in the competitive market.

RESPONSE: (Cont.)

(c) AT&T Florida contends that deploying infrastructure to Nocatee only to provide voice service is uneconomic because it does not provide an adequate return on investment. See documents provided in response to (d) below for a summary of the net present value information.

(d) This information is confidential and is being provided subject to a Notice of Intent.

RESPONSE PROVIDED BY: Beth Shiroishi - Sr. Director, Regulatory Planning & Policy

REQUEST: For purposes of the following request, please refer to Exhibit LB-12.

(a) Referring to page 2, please explain the length of each of the individual components that together comprise the total number of feet of fiber cable shown. (E.g., how much pertains to the leg from the existing fiber feeder cable to the DLC, to the various ONUs, etc.)

(b) Under RT Material cost, please explain to what the exempt material hours and costs pertain. Please explain fully and completely.

(c) Please explain what accounts for the difference in amount of RT Cabinet Material between Coastal Oaks and Riverwood.

(d) Please explain what accounts for the difference in amount in RT Engineering Labor between Coastal Oaks and Riverwood.

(e) Please explain what accounts for the difference in amount in RT Telco Labor (splicing and placing) between Coastal Oaks and Riverwood.

(f) Under FITL Distribution Material Cost please explain why Riverwood has an entry for Exempt Material Prewire/Pre-CT MDU, and to what this pertains.

(g) Please explain what accounts for the difference in amount in FITL Distribution Material Cost Exempt Material Pre-CT Residential between Coastal Oaks and Riverwood.

(h) Please clearly explain why the number of ONUs installed is the same for Coastal Oaks and Riverwood.

(i) What is a Tap Factor for Telco Labor for accounts 45C, 257C, 584C, and 845C?

RESPONSE: (a) Coastal Oaks requires 3879 feet of 24 fiber from the main feeder fiber tie point to the DLC cabinet. The fiber to the ONU's at Coastal Oaks is estimated at 13,987 feet ranging in sizes from 2 to 72 fibers. Riverwood requires 3437 feet of 24 fiber from the main feeder fiber tie point to the DLC cabinet. The fiber to the ONU's at Riverwood is estimated at 11,917 feet ranging in sizes from 2 to 72 fibers.

(b) Exempt material is an item which is individually of small value, is not ordinarily reused when recovered from plant and exempt from reporting when used. Exempt materials include items such as nails, screws, bolts, work gloves, tie wraps, etc. Exempt Material is determined by multiplying Telco labor hours by the Exempt Material rate for a given FRC. The Exempt Material rate is determined for each FRC by AT&T Southeast Finance and is the average cost of Exempt Material used per labor hour.

(c) The difference in the material cost for the RT cabinets at Coastal Oaks and Riverwood is due to the size of the cabinet required to serve the ultimate number of living units in the development.

(d) The engineering labor cost is based on a loaded labor rate of $72.23 per hour. The amount of hours is determined by a percentage of the combination of Telco Labor and Contract Labor hours required. It is an estimate of the engineering hours required.

(e) The Telco labor cost is based on a loaded labor rate of $68.05 per hour. The amount of hours is determined by work action codes built into OSPCM specifically for every task needed to complete the job.

(f) The Exempt Material Prewire/Pre-CT for Riverwood pertains to the inside wiring and provisioning required for multi dwelling units. Prewire includes placing drop service wire from outside of the structure to each dwelling units demarcation point usually located in a closet or laundry room. Pre-CT pertains to the work required to place an inside network interface (INI), connect the service wire at the demarcation point and the ONU. Coastal Oaks is made up of single family dwellings and required no such cost.

RESPONSE: (Cont.)

g) The difference in the amount in FITL Distribution Material Cost Exempt Material Pre-CT Residential between Coastal Oaks and Riverwood is due to the amount of single family homes requiring Residential Pre-CT. Riverwood has less Single Family Residential Homes than Coastal Oaks based on the proposed build out schedule. The additional Multi Dwelling Units at Riverwood further reduce the Residential Pre-CT requirements. See previous answer for item 19(f).

h) The number of ONU's required was determined by the amount of homes in the initial phase divided by the average units per ONU for the overall build out. Additional factors such as lot size and additional requirements for multi dwelling units were taken into consideration for the proposed number of ONU's needed.

(i) The TAP Factor is a standard labor expense that is added to any construction job. TAP Factor accounts for misc. time such as: AM Time, PM Time, Travel Time, and Time on Break. This time will not be charged to individual substeps, but will be accounted for separately and reported daily by Telco technicians on their work reports. For estimated pricing and billing purposes, it is necessary to factor in this time when pricing a job. It is important to note that the TAP Factor is applied to Placing Labor, Splicing Labor, and any Added Costs for labor. The standard TAP Factor used in AT&T Florida is determined by multiplying the sum of Placing Labor, Splicing Labor, and any Added Labor Costs by a standard percentage (49.49%).

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager, Network Operations

REQUEST: For purposes of the following request, please refer to Exhibit LB-14.

(a) What is Year 1 in the analysis for each of the two subdivisions?

(b) Please explain the rationale of using a mid-year convention in Years 1 and 2.

RESPONSE: (a) 2007—the first year in which AT&T Florida anticipates receiving revenue from residents within the Nocatee development.

(b) Typically AT&T Florida does not have knowledge of the exact timeframes in which homes in new developments will be constructed and ultimately occupied. Rather, builders typically inform AT&T Florida that a certain number of homes will be built over the course of a given year. Some of these homes will be occupied early in the year whereas others will be occupied at later points in the year. In this situation and where monthly revenue forecasts are used it is a common modeling technique to assume that one half of the forecast of constructed homes will be occupied for the entire year.

However, in cases like Nocatee where it is known that Year 1 homes are not expected to be occupied until mid-year or later the "Units per Year" input is adjusted so that when the half year convention is applied the resultant revenue calculation reflects the anticipated Year 1 build out schedule.

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager, Network Operations

REQUEST: For the purposes of the following request, please refer to the direct testimony of AT&T witness Shiroishi, page 4, lines 12-24; page 12, lines 1-23; page 13, lines 1-20; and page 14, lines 1-2.

(a) If AT&T is relieved of its COLR obligation and one or more of the alleged critical facts supporting AT&T's petition for COLR relief subsequently changes, does AT&T believe that the COLR waiver would remain in effect?

(b) If the answer to (a) is affirmative, please explain AT&T's rationale for its answer.

RESPONSE: (a) Objection, this interrogatory calls for a legal conclusion, is overbroad, unduly burdensome and is not reasonably calculated to lead to the discovery of admissible evidence.

(b) N/A.

REQUEST: To the extent not already answered, is it AT&T's position that Comcast's VoIP service is substitutable for the basis voice service of AT&T? Please explain.

(a) Does AT&T know why Comcast does not have an exclusive arrangement with Nocatee for it's voice service? If so, please explain why.

RESPONSE: Based on the assertions made in Comcast's advertising, it appears that the Digital Voice service offers all of the features and functionalities of basic voice service.

(a) AT&T Florida does not know why Comcast does not have an exclusive arrangement with Nocatee for voice service. However, if Comcast did have an exclusive arrangement with Nocatee for voice service, AT&T Florida would automatically be relieved of its COLR obligation pursuant to Section 364.025, Florida Statutes.

RESPONSE PROVIDED BY: Beth Shiroishi - Sr. Director, Regulatory Planning & Policy

REQUEST: Please provide a simple chronology of AT&T's dealings with the entire Nocatee development. Please indicate in this chronology when AT&T first knew of the instant developments, and when AT&T discussed with Nocatee the nature of the requested service. Please indicate in this chronology if and when AT&T offered to Nocatee to provide other than basic voice service.

RESPONSE:

- On August 25, 2004, AT&T Florida had its first discussion regarding the Nocatee project with Don Knasel, Parc Group consultant.
- On December 14, 2004, AT&T Florida met with the Parc Group Developer ("Developer"), to learn about the Nocatee project.
- On March 3, 2005, AT&T Florida met with Developer in Atlanta to present AT&T Florida's technology roadmap.
- From March 22, 2005 through February 15, 2006, AT&T Florida negotiated with Developer and provided several versions of proposals that included incentives to market AT&T Florida's services (Voice and Video (IPTV), and bulk rates for Data (BellSouth Fast Access).
- On March 1, 2006, Developer provided AT&T Florida with verbal approval to accept AT&T Florida's offer to provide Bulk Data (BellSouth Fast Access DSL), and for Developer to exclusively market AT&T Florida's Voice and Video (IPTV) services.
- From March 2, 2006 through June 6, 2006, AT&T Florida held several meetings with Developer to review the contract necessary to execute AT&T Florida's proposal to Developer.
- On June 7, 2006, Developer notified AT&T Florida that it had executed an agreement with Comcast for data and video services.

RESPONSE: (Cont.)

- On June 28, 2006, Developer's consultant contacted AT&T Florida's Network Department to confirm that Developer entered into an agreement with Comcast but Developer wanted AT&T Florida to offer voice service in Nocatee. AT&T Network requested a letter confirming facts of agreements with Comcast, including request for service; no letter was provided by the Developer.
- On July 19, 2006, AT&T Florida's Network Department sent a letter to Developer to confirm information provided by the Developer's consultant to AT&T Florida's Network Department verbally, since Developer had not provided the confirming letter requested by AT&T Florida.
- In follow-up, a meeting was scheduled. AT&T Florida's Network Department met with Developer and its consultant to discuss service. Developer re-confirmed that voice only easements would be offered in private subdivisions and that exclusive marketing agreements had been entered into with Comcast for Comcast voice video and data service in the private subdivisions.
- On August 1, 2006, AT&T Florida's Network Department talked to the Developer's consultant, during which the consultant re-confirmed that voice only easements would be offered.
- On September 13, 2006, Developer was asked for copy of proposed voice only easement. AT&T Florida's Network Department again requested copy on September 22, 2006.
- On September 28, 2006, AT&T Florida received an e-mail from Developer's counsel advising that it would be "premature" to circulate easements in advance of further "business" discussions between Mr. Richard Ray and AT&T Florida.
- During October through December 2006, Developer pursued communications with AT&T Florida of the type referenced above. The parties discussed the following options for provision of service in light of AT&T Florida's concerns regarding provision of service at Riverwood and Coastal Oaks given the preferred and exclusive arrangements with Comcast, yielding the proposed "voice only" easement, but they were unable to agree upon these or other options.
- On December 13, 2006, AT&T Florida received letter from Developer attaching proposed form of voice only easement for private subdivisions in Nocatee.

RESPONSE: (Cont.)

- On January 3, 2007, a letter was sent from AT&T Florida to the Developer to discuss forms of easement for public communities but noting that the voice only restriction for private community form of easement is unacceptable to AT&T Florida (as previously discussed verbally with Developer)
- On April 25, 2007, AT&T Florida met with Developer.
- On May 8, 2007, AT&T Florida sent the letter to Developer attached to Larry Bishop's direct testimony as Confidential Exhibit LB-13.
- On May 24, 2007, a follow up call to the Developer was made to discuss the May 8, 2007 letter.

RESPONSE PROVIDED BY: Al Varner, Senior Director, Community Technologies
Larry Bishop – Supervising Manager, Network Operations

REQUEST: Please provide copies of all correspondence between AT&T Florida and the developer of Nocatee regarding the provision of service to Riverwood and Coastal Oaks.

RESPONSE: See AT&T Florida's Response to Staff's First Data Request No. BS-1, Item No. 4, filed February 9, 2007. Please also see the Direct Testimony of Larry Bishop, Confidential Exhibit LB-13, filed June 8, 2007.

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager, Network Operations

REQUEST: Please provide any documents that support your response to Interrogatory No. 7(b).

RESPONSE: See AT&T Florida's response to Interrogatory No. 7(b).

RESPONSE PROVIDED BY: Larry Bishop – Manager, Network Operations

REQUEST: Please provide any documents that support your response to Interrogatory No. 7(c).

RESPONSE: This information is confidential and is being provided subject to a Notice of Intent.

RESPONSE PROVIDED BY: Larry Bishop – Manager, Network Operations

REQUEST: Please provide any documents that support your response to Interrogatory No. 7(e).

RESPONSE: See Section 5.2.2 in the responsive document. This information is confidential and is being provided subject to a Notice of Intent.

RESPONSE PROVIDED BY: Larry Bishop – Manager, Network Operations

REQUEST: Please provide any documents that support your response to Interrogatory No. 7(i).

RESPONSE: This information is confidential and is being provided subject to a Notice of Intent.

RESPONSE PROVIDED BY: Larry Bishop – Manager, Network Operations

REQUEST: Please provide any documents that support your response to Interrogatory No. 7(j).

RESPONSE: This information is confidential and is being provided subject to a Notice of Intent.

RESPONSE PROVIDED BY: Larry Bishop – Manager, Network Operations

REQUEST: Referring to page 13, lines 20-22 of the direct testimony of AT&T witness Bishop, please provide a copy of the OSPCM user manual.

RESPONSE: This information is confidential and is being provided subject to a Notice of Intent.

RESPONSE PROVIDED BY: Larry Bishop – Manager, Network Operations

REQUEST: Please provide any documents that support your response to Interrogatory No. 8(a).

RESPONSE: See AT&T Florida's response to Request for Production, Item No. 6.

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager, Network Operations

REQUEST: Referring to the direct testimony of AT&T witness Shiroishi, page 12, lines 16-18, please provide all documents that support the claim that "Comcast has likely provided the developer with economic consideration."

RESPONSE: See Comcast's Response to Staff's First Data Request.

RESPONSE PROVIDED BY: Beth Shiroishi - Sr. Director, Regulatory Planning & Policy

REQUEST: Please provide any documents that support your response to Interrogatory No. 12.

RESPONSE: Objection, this request is overbroad, unduly burdensome and is not reasonably calculated to lead to the discovery of admissible evidence.

REQUEST: Please provide any documents that support your response to Interrogatory No. 13.

RESPONSE: Objection, this request is overbroad, unduly burdensome and is not reasonably calculated to lead to the discovery of admissible evidence.

REQUEST: Please provide any documents that support your response to Interrogatory No. 14.

RESPONSE: Objection, this request is overbroad, unduly burdensome and is not reasonably calculated to lead to the discovery of admissible evidence.

REQUEST: Referring to the direct testimony of AT&T witness Shiroishi, page 16, lines 15, please provide a derivation of the 15.5 % take rate.

RESPONSE: This information is confidential and is being provided subject to a Notice of Intent.

RESPONSE PROVIDED BY: Beth Shiroishi – Sr. Director, Regulatory Planning & Policy

REQUEST: Referring to Exhibit LB-14, please provide the derivation of the ARPU and all supporting documents.

RESPONSE: Objection, this request is overbroad, unduly burdensome and is not reasonably calculated to lead to the discovery of admissible evidence.

Notwithstanding, subject to and without waiving said objections, information responsive to the Request is confidential and is being provided subject to a Notice of Intent. Certain data on the attached documents was redacted as it is not responsive to the request.

RESPONSE PROVIDED BY: Beth Shiroishi – Sr. Director, Regulatory Planning & Policy

REQUEST: Please provide any documents that support your response to Interrogatory No. 17(c).

RESPONSE: See AT&T Florida's Response to Interrogatory No. 17 (c).

RESPONSE PROVIDED BY: Beth Shiroishi – Sr. Director, Regulatory Planning & Policy

REQUEST: Referring to Exhibit LB-12, please provide the derivation of the overhead loading factor and associated supporting documents.

RESPONSE: Objection, this request is overbroad, unduly burdensome and is not reasonably calculated to lead to the discovery of admissible evidence.

Notwithstanding, subject to and without waiving said objections, the information provided is confidential and is being provided subject to a Notice of Intent.

RESPONSE PROVIDED BY: Rick Vinson, Specialist-Network

REQUEST: Referring to Exhibit LB-12, to the extent that pages 2 and 3 are OSPCM output reports, please provide documents that show the inputs used, and any work papers that support or aggregate any of these inputs.

RESPONSE: This information is confidential and is being provided subject to a Notice of Intent.

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager, Network Operations

REQUEST: Referring to Exhibit LB-14, please provide and documents that support the assumed build out schedules.

RESPONSE: See the Direct Testimony of Larry Bishop, Exhibit LB-11, filed June 8, 2007.

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager, Network Operations

Respectfully submitted this 26th day of June, 2007.

AT&T FLORIDA

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[1] The undersigned is licensed in Louisiana only, is certified by the Florida Bar as Authorized House Counsel (No. 464260) per Rule 17 of the Rules Regulating the Florida Bar, and has been granted qualified representative status by the Commission in Order No. PSC-07-0211-FOF-OT.

ORIGINAL

REDACTED

ATTACHMENT B

AT&T FLORIDA
FPSC DOCKET NO: 060822-TL
REQUEST FOR CONFIDENTIAL CLASSIFICATION
PAGE 1 OF 1
7/17/2007

REQUEST FOR CONFIDENTIAL CLASSIFICATION OF AT&T FLORIDA'S RESPONSE TO STAFF'S FIRST SET OF INTERROGATORIES NO. 18 AND FIRST REQUEST FOR PRODUCTION OF DOCUMENTS, NOS. 3, 4, 5, 6, 7, 13, 14, 16 AND 17, FILED FEBRUARY 9, 2007 IN FLORIDA DOCKET NO. 060822-TL

TWO REDACTED COPIES FOR PUBLIC DISCLOSURE

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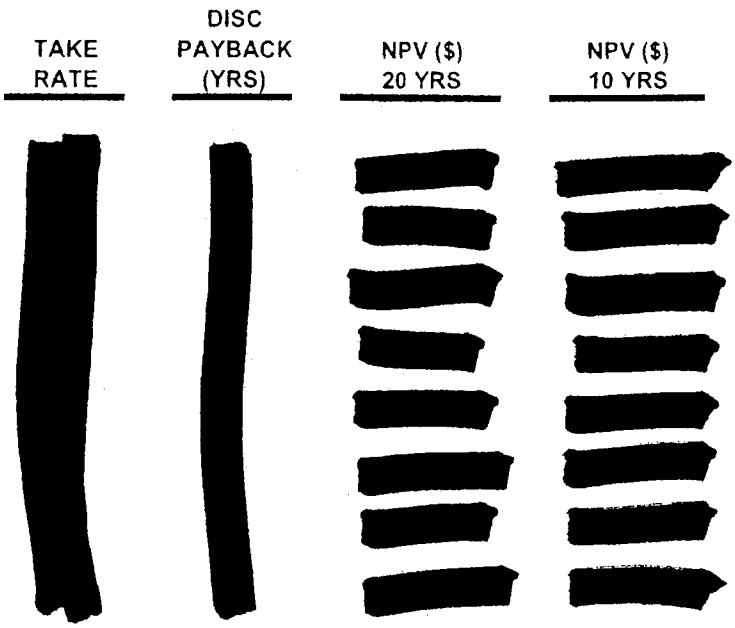
AT&T Florida
Florida Public Service Commission
Docket No. 060822-TL
Staff's 1st Set of Interrogatories
June 19, 2007
Item No. 18
ATTACHMENT

REDACTED

PROPRIETARY

000202

DOCUMENT NUMBER-DATE
06005 JUL 17 07
FPSC-COMMISSION CLERK



PROPRIETARY

[redacted]

Capital Cost per line
Expante cost per line
ARPU
Take Rate %
Discount rate

Assumes Construction four phases over four years for infrastructure
Phase 1
Phase2
Phase3
Phase 4

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
[redacted]																					

Discounted pay back

NPV for 20 years

NPV for 10 years

NPV = The difference between the present value of the cash inflows and the present value of the cash outflows associated with an investment project.
discounted Payback= An estimate of how long it will take before the cost of a capital investment project is covered by the future net cash flows arising from that project discounted at an appropriate rate.

000204

PROPRIETARY

Capital Cost per line
Expense cost per line
ARPU
Take Rate %
Discount rate

Assumes Construction four phases over four years for infrastructure
Phase 1
Phase 2
Phase 3
Phase 4

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
[redacted]																					
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Cash flow
cumulative cash flow
present value
cumulative present value

Discounted pay back

NPV for 20 years

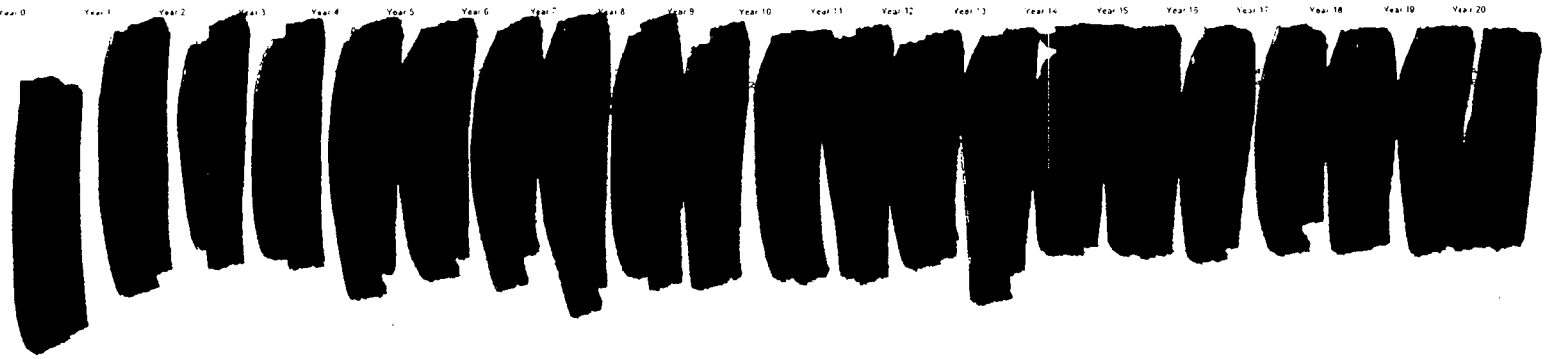
NPV for 10 years

NPV = The difference between the present value of the cash inflows and the present value of the cash outflows associated with an investment project
discounted Payback= An estimate of how long it will take before the cost of a capital investment project is covered by the future net cash flows arising from that project discounted at an appropriate rate

000205

Capital Cost per line
Expense cost per line
ARPU
Take Rate %
Discount rate

Assumes Construction four phases over four years for infrastructure
Phase 1
Phase 2
Phase 3
Phase 4



cash flow
cumulative cashflow
present value
cumulative present value

Discounted pay back

NPV for 20 years

NPV for 10 years

NPV is the difference between the present value of the cash inflows and the present value of the cash outflows associated with an investment project
Discounted Payback An estimate of how long it will take before the cost of a capital investment project is covered by the future net cash flows arising from that project discounted at an appropriate rate

000206

PROPRIETARY

Capital Cost per line
Expense cost per line
ARPU
Take Rate %
Discount rate

Assumes Construction four phases over four years for infrastructure
Phase 1
Phase2
Phase3
Phase 4

[redacted]

Year 0 Year 1 Year 2 Year 3 Year 4 Year 5 Year 6 Year 7 Year 8 Year 9 Year 10 Year 11 Year 12 Year 13 Year 14 Year 15 Year 16 Year 17 Year 18 Year 19 Year 20

[redacted]

Discounted over back

NPV for 20 years

NPV for 10 years

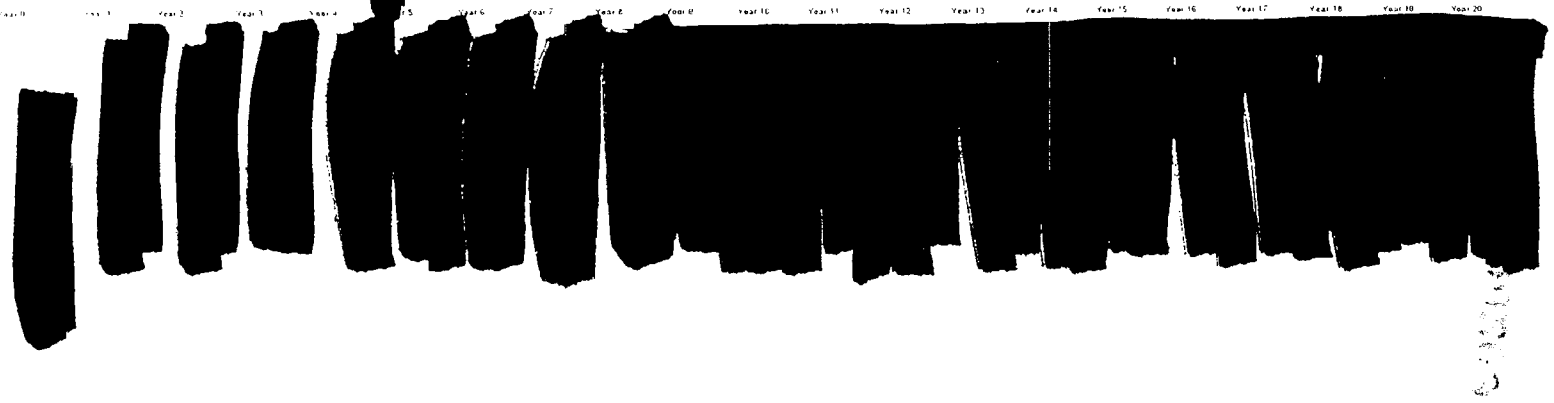
NPV = The difference between the present value of the cash inflows and the present value of the cash outflows associated with an investment project
discounted Payback= An estimate of how long it will take before the cost of a capital investment project is covered by the future net cash flows arising from that project discounted at an appropriate rate

000207

PROPRIETARY

Capital Cost per line
Expense cost per line
ARPU
Take Rate %
Discount rate

Assumes Construction four phases over four years for infrastructure
Phase 1
Phase 2
Phase 3
Phase 4



cash flow
cumulative cash flow
present value
cumulative present value

Discounted pay back

NPV for 10 years

NPV for 10 years

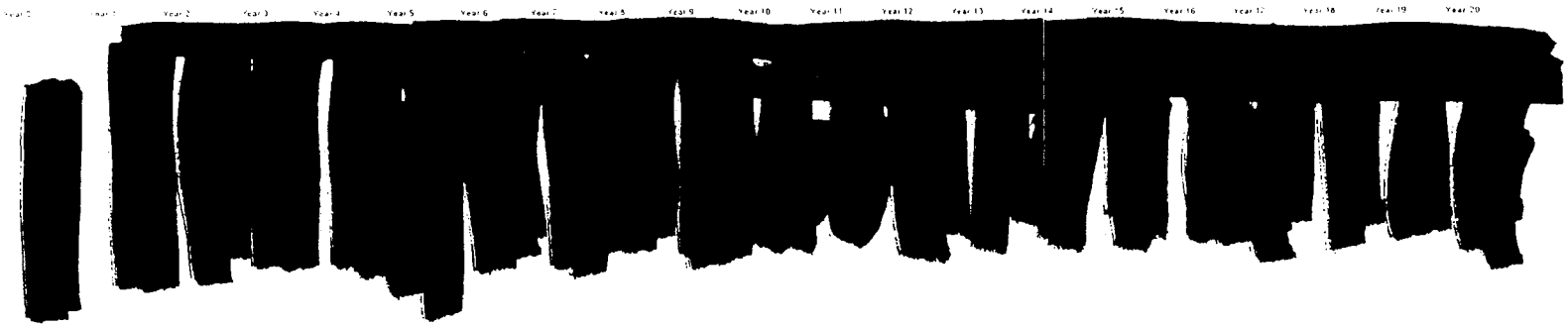
NPV = The difference between the present value of the cash inflows and the present value of the cash outflows associated with an investment project
Discounted payback period = a cash flow statistic that measures how long it will take before the cost of a capital investment project is covered by the future net cash flows arising from that project discounted at an appropriate rate.

000208

PROPRIETARY

Capital Cost per line
Expense cost per line
ARPU
Take Rate %
Discount rate

Assumes Construction four phases over four years for infrastructure
Phase 1
Phase 2
Phase 3
Phase 4



cash flow
cumulative cash flow
present value
cumulative present value

Discounted pay back

NPV for 20 years

NPV for 10 years

NPV = The difference between the present value of the cash inflows and the present value of the cash outflows associated with an investment project
Discounted Payback an estimate of how long it will take before the cost of a capital investment project is covered by the future net cash flows arising from that project discounted at an appropriate rate

602000

PROPRIETARY

Capital Cost per line
Expense cost per line
ARPU
Take Rate %
Discount rate

Assumes Construction four phases over four years for infrastructure
Phase 1
Phase 2
Phase 3
Phase 4

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20

Capital Cost per line	504.00
Expense cost per line	3.85
ARPU	37.60
Take Rate (%)	80%
Discount rate	11%

Assumes Construction four phases over four years for infrastructure

Phase 1	835
Phase 2	1085
Phase 3	929
Phase 4	223
	3072

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
[redacted]																					
Cash flow																					
cumulative cash flow																					
present value																					
cumulative present value																					
Discounted pay back																					
NPV for 20 years																					
NPV for 10 years																					

NPV = The difference between the present value of the cash inflows and the present value of the cash outflows associated with an investment project

Discounted Payback = An estimate of how long it will take before the cost of a capital investment project is covered by the future net cash flows arising from that project discounted at an appropriate rate.

000211

PROPRIETARY

AT&T Florida
Florida Public Service Commission
Docket No. 060822-TL
Staff's 1st Request for Documents
June 19, 2007
Item No. 3
ATTACHMENT

PROPRIETARY

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AT&T Florida
Florida Public Service Commission
Docket No. 060822-TL
Staff's 1st Request for Documents
June 19, 2007
Item No. 4
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File "POD_14_PTIPTON FL ARPU 11282006_PROPRIETARY.xls"

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AT&T Florida
Florida Public Service Commission
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PROPRIETARY

September 2006 (Data from SIW)

TOTALS

	AL	FL	GA	KY	LA	MS	NC	SC	TN	TOTAL
TOTAL RES LINES		[redacted]								
Total CC										
Total APwCC includes LOS										
Total BPP with AP										
Total BPP										
Total AP includes LOS										
Total 1FR										

BUNDLES (lines with BUN% USOC)

	AL	FL	GA	KY	LA	MS	NC	SC	TN	TOTAL
TOTAL		[redacted]								
CC										
APWCC includes LOS										
BPP with AP										
BPP										
AP includes LOS										
1FR										

UNBUNDLED

	AL	FL	GA	KY	LA	MS	NC	SC	TN	TOTAL
TOTAL		[redacted]								
CC										
APWCC includes LOS										
BPP with AP										
BPP										
AP includes LOS										
1FR										

UNBUNDELED 1FR BREAK OUT

	AL	FL	GA	KY	LA	MS	NC	SC	TN	TOTAL
1FR 1+ FEATURES and AFFILIATES		[redacted]								
1FR 0 FEATURES and AFFILIATES										
1FR 1+ FEATURES										
1FR 0 FEATURES										

UNBUNDELED 1FR BSLD BREAK OUT

	AL	FL	GA	KY	LA	MS	NC	SC	TN	TOTAL
1FR 1+ FEATURES and BSLD PLAN		[redacted]								
1FR 0 FEATURES and BSLD PLAN										
1FR 1+ FEATURES and PICC to BSLD(no plan)										
1FR 0 FEATURES and PICC to BSLD(no plan)										

	AL	FL	GA	KY	LA	MS	NC	SC	TN	TOTAL
1FR and ADSL* (without BSLD)		[redacted]								

000219

September 2006 (Data from SIW)

TOTALS

	FL	% of Total	ARPU	Weighted RPU
TOTAL RES LINES	[redacted]	[redacted]	[redacted]	[redacted]
Total CC				
Total APwCC includes LOS				
Total BPP with AP				
Total BPP				
Total AP includes LOS				
Total 1FR				
Average weighted revenue per line				[redacted]
BSLD Penetration and Revenue	[redacted]			

$37.60

Units provided by Eddie Bowman
ARPU provided by Larry W. Smith

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AT&T Florida
Florida Public Service Commission
Docket No. 060822-TL
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ATTACHMENT

PROPRIETARY

222000

Overhead Inputs - Corporate Operations								
Account	Account Description	EOY Amount						
	Enter Effective Date of Rates	April 1, 2007						
Corporate Operations Expenses (less R&D)					Source			
6720.1100	Executive	[redacted]			05EXP.XLS			
6720.1200	Planning				05EXP.XLS			
6720.1300	Accounting & Finance				05EXP.XLS			
6720.1400	External Relations				05EXP.XLS			
6720.1500	Information Management				05EXP.XLS			
6720.1600	Human Resources				05EXP.XLS			
6720.1700	Legal				05EXP.XLS			
6720.2100	Procurement				05EXP.XLS			
6720.6300	Other General & Administrative				05EXP.XLS			
Total Corporate Operations Expenses (less R&D)								
Recoverable Cost Basis								
61XX	General Support Property Expense				05EXP.XLS			
62XX	Central Office Equipment Expense				05EXP.XLS			
63XX	Terminal Equipment Expense				05EXP.XLS			
64XX	Cable & Wire Expense				05EXP.XLS			
6512	Provisioning Expense				05EXP.XLS			
6531	Power Expense				05EXP.XLS			
6532	Network Administration Expense				05EXP.XLS			
6533	Testing Expense				05EXP.XLS			
6534	Plant Operations Admin Expense				05EXP.XLS			
6535	Engineering Expense				05EXP.XLS			
6540	Access Expense				05EXP.XLS			
6561	Depreciation		exclude per page 2		05EXP.XLS			
6563	Amortization		How To Instructions		05EXP.XLS			
66XX	Customer Operations Expense				05EXP.XLS			
67XX	Corporate Operations Expense				05EXP.XLS			
PSAM	Cost of Removals (PSAM rept)				CI02R11	pg. 38		
PSAM	Additions to Plant (PSAM rept)				CI02R11	pg. 38		
Total Recoverable Cost Basis								
Assets				Source				
2111	Land			CI02R11	pg. 5			
2112	Motor Vehicles			CI02R11	pg. 8			
2113	Aircraft							
2114	Garage, Special and Other Work Equipment			CI02R11	pg. 7			
2115	~~Garage Work Equipment~~							
2116	~~Other Work Equipment~~							
2121	Buildings			CI02R11	pg. 8			
2122	Furniture			CI02R11	pg. 9			
2123	Office Equipment			CI02R11	pg. 11			
2124	General Purpose Computers			CI02R11	pg. 13	[redacted]		g. 37 380C
2681	Capital Leases			Cap Lease Recon - Brandi Harrell				
2682	Leasehold Improvements			CI02R11	pg. 36			

Overhead Inputs - Corporate Operations								
Account	Account Description	EOY Amount						
2211	Analog Electronic Switching	[redacted]	CI02R11	pg. 14		[redacted]		
2212	Digital Electronic Switching		CI02R11		pg. 15			pg. 37 560C
2215	Electromechanical Switching							
2220	Operator Systems		CI02R11		pg. 16			g. 37 860C
2231	Radio Systems		CI02R11		pg. 17			g. 37 780C
2232	Circuit Equipment		CI02R11		pg. 19			g. 37 680C
2411	Poles		CI02R11	pg. 26				
2421	Aerial Cable		CI02R11	pg. 29				
2422	Underground Cable		CI02R11	pg. 30				
2423	Buried Cable		CI02R11	pg. 32				
2424	Submarine Cable		CI02R11	pg. 33				
2426	Intrabuilding Cable		CI02R11	pg. 34				
2441	Conduit Systems		CI02R11	pg. 35				
Total Net Balance - Supporting Assets								
Total Assets			05ASSET.XLS					
Accumulated Depreciation/Amortization								
3100.11	Vehicles		CI02R11	pg. 6				
3100.12	Work Equipment		CI02R11	pg. 7				
3100.13	Buildings		CI02R11	pg. 8				
3100.14	Furniture		CI02R11	pg. 9				
3100.15	Office Equipment		CI02R11	pg. 11				
3100.16	General Purpose Computers		CI02R11		pg. 13			pg. 37 360C
3410	Accum Amort - Capital Leases		Cap Lease Recon - Brandi Harrell					
3420	Accum Amort - Leasehold Improvements		CI02R11	pg. 36				
3100.21	Analog Electronic Switching		CI02R11	pg. 14				
3100.22	Digital Electronic Switching		CI02R11		pg. 15			pg. 37 560C
3100.23	Electromechanical Switching							
3100.24	Operator Systems		CI02R11		pg. 16			pg. 37 860C
3100.25	Radio Systems		CI02R11		pg. 17			pg. 37 780C
3100.26	Circuit Equipment		CI02R11		pg. 19			pg. 37 680C
3100.41	Poles		CI02R11	pg. 26				
3100.42	Aerial Cable		CI02R11	pg. 29				
3100.43	Underground Cable		CI02R11	pg. 30				
3100.44	Buried Cable		CI02R11	pg. 32				
3100.45	Submarine Cable		CI02R11	pg. 33				
3100.46	Intrabuilding Cable		CI02R11	pg. 34				
3100.48	Conduit Systems		CI02R11	pg. 35				

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Overhead Inputs - Corportate Operations									
Account	Account Description	EOY Amount							
PSOE									
6112	Non-Plant Motor Vehicle Expense				05PSOE.XLS				
6114.9	Other Work Equipment Expense				05PSOE.XLS				
6116.9	Other Work Equipment Expense				05PSOE.XLS				
6121.1	M10/M110 - Building Maintenance				05PSOE.XLS				
6122.2	Furniture Expense				05PSOE.XLS				
6123	Office Equipment Expense				05PSOE.XLS				
6124.1	General Purpose Computer (non-CDP)				05PSOE.XLS				
6211	Analog Electronic Switching				05EXP.XLS				
6212	Digital Electronic Switching				05EXP.XLS				
6215	Electromechanical Switching								
6220	Operator Systems				05EXP.XLS				
6231	Radio Systems				05EXP.XLS				
6232	Circuit Equipment				05EXP.XLS				
6411	Poles				05EXP.XLS				
6421	Aerial Cable				05EXP.XLS				
6422	Underground Cable				05EXP.XLS				
6423	Buried Cable				05EXP.XLS				
6424	Submarine Cable				05EXP.XLS				
6426	Intrabuilding Cable				05EXP.XLS				
6441	Conduit Systems				05EXP.XLS				
Depreciation Accruals									
2112	Motor Vehicles				CI02R11	pg. 6			
2114	Garage, Special and Other Work Equipment				CI02R11	pg. 7			
2115	~~Garage Work Equipment~~								
2116	~~Other Work Equipment~~								
	Buildings (Owned Buildings & Leasehold Improve.)				CI02R11	pg. 8			pg. 36
2122	Furniture				CI02R11	pg. 9			
2123	Office Equipment				CI02R11	pg. 11			
2124	General Purpose Computers				CI02R11	pg. 13			g. 37 360C
2211	Analog Electronic Switching				CI02R11	pg. 14			
2212	Digital Electronic Switching				CI02R11	pg. 15			. 37 560C
2215	Electromechanical Switching								
2220	Operator Systems				CI02R11	pg. 16			g. 37 860C
2231	Radio Systems				CI02R11	pg. 17			g. 37 760C
2232	Circuit Equipment				CI02R11	pg. 19			g. 37 660C
2411	Poles				CI02R11	pg. 26			
2421	Aerial Cable				CI02R11	pg. 29			
2422	Underground Cable				CI02R11	pg. 30			
2423	Buried Cable				CI02R11	pg. 32			
2424	Submarine Cable				CI02R11	pg. 33			
2426	Intrabuilding Cable				CI02R11	pg. 34			
2441	Conduit Systems				CI02R11	pg. 35			

000224

Overhead Inputs - Corporate Operations									
Account	Account Description	EOY Amount							
Miscellaneous Balances and Percentages									
7240.1	Property Tax	[redacted]				05TAX.XLS			
7240.3	Capital Stock Tax					05TAX.XLS			
	Current Tax Rate	*0.63143*				email from Clayton Shipley			
	Incremental Cost of Capital					email from			
	Equity Component Cost of Capital					Charles Lee			
Composite Depreciation Rates									
	Supporting Assets	0.07348							
	Buildings	0.02478							
	Furniture	0.02267							
	Office Equipment	0.02790							
	Computers	0.15337							
	Vehicles & Other Work Equipment	0.05885							
	Analog	0.00000							
	Digital	0.07704							
	Electromechanical	0.00000							
	Operator Systems	0.08367							
	Radio Systems	0.21849							
	Circuit	0.09004							
	Poles	0.05613							
	Aerial Cable	0.05039							
	Underground Cable	0.06947							
	Buried Cable	0.05708							
	Submarine Cable	0.02401							
	Intrabuilding Cable	0.03639							
	Conduit Systems	0.01918							
Summary Calculations IRC OH									
	ROI	[redacted]							
	Tax Gross Up								
	Property Tax								
	Capital Stock Tax								
	Depreciation/Amort Expense								
	Total PSDE for Supporting Assets								
	Reimbursable IRC								
	IRC OH	0.13205							
Prepared by:		Reviewed by:							

S22000

922000

Description	Account	Work ID	EOY Amount	6720.1100	6720.1200	6720.1300	6720.1400	6720.1500	6720.1600	6720.1700	6720.2100	6720.8300
Exclusions	Source: 06EXCLUDE.XLS											
Capital Recovery Matters	6720.1300	1170										
Acct - Corp - Separations/Settle	6720.1300	1310										
Legal - Property Matters	6720.1700	0170										
Community & Public Relations	6720.1400	0300										
External Relations - Utilities	6720.1400	0440										
External Relations - Regulator	6720.1400	0500										
Legal - Govt and Regulatory	6720.1700	0800										
Total Exclusions to Overhead Recovery												
Billable Corp Ops - total to be recovered												
Total Recoverable Cost Basis (less active acct):												
Corp Ops OH (line 18/21)			*0.115370*	*0.007157*	*0.000840*	*0.009968*	*0.007672*	*0.089439*	*0.007811*	*0.004058*	*0.001247*	*0.007181*

Rates Effective from April 1, 2007

Overhead Rates	%	
Corp Ops OH	11.5370	All Services
IRC OH	13.2050	All Services
Total OH Rate	24.7420	

022000

** NOTICE - Not for use or disclosure outside BellSouth or its subsidiaries without agreement. **

Explanation of Costs Associated with Custom Work Involving BellSouth Telecommunications' Plant Facilities

BellSouth Telecommunications, as a regulated entity, is required by the Federal Communications Commission (FCC) in Docket No. 86-111 (Joint Cost Order), which modified Part 32 (Uniform System of Accounts) and Part 64.901 (Allocation of Costs) accounting rules, to generate billing using a fully distributed costing methodology when that billing is intended to reimburse or compensate the company for work or functions performed outside it's normal operations, specifically for billing between affiliated companies. This costing methodology results in every such work activity bearing a proportionate share of the company's common costs including overhead. The company is required to maintain appropriate records of its accounts and apply generally accepted costing concepts to ensure that such work activities utilizing company resources do not cross subsidize unregulated or affiliate operations or activity.

When BellSouth Telecommunications performs custom work activity involving telecommunications plant and equipment at the request of others, such activity does not constitute a "telecommunications service" in the normal course of BellSouth Telecommunications business. The subsequent reimbursement for costs associated with this custom work helps to ensure that the company's customers and ratepayers do not pay the costs to perform such work.

The fully distributed costing methodology concepts prescribed by the FCC are applied to the development and use of direct assignments and allocations of cost rates and overheads to properly allocate costs to the cost causer, or the individual or entity requesting the custom work involving the company's facilities and equipment.

DIRECT and ALLOCABLE COSTS

Direct Labor

Direct labor represents the monies paid to the employee group responsible for performing the work. These are the employees who are actually splicing the cable and/or placing the lines on the poles. The employees in this work group are highly skilled technicians who have received extensive formal training.

Labor Support

This portion of the Billing Rate reimburses the Company for the expenses of employees who support the technicians who are performing work. It includes expenses for up to three levels of supervision and clerical support. It also includes the expenses of the employees who test the lines after the work is finished to make sure service is acceptable. Also included in support costs are the costs of maintaining the motor vehicles used by the employees involved in the work. Finally, custom work requires special power operated equipment, such as blowers and generators. Support costs also include the cost of providing and maintaining this equipment

Labor Benefit Cost

For each hour an employee works on the project, the Company must pay benefits and tax related items. These include, but are not limited to, the following:

A. Company matching portion of the Savings Plan
B. Dental and Medical Plans

C. The Company portion of Social Security taxes
D. Unemployment Payroll taxes

Other Direct Costs

Materials used in the job as well as any contractors costs associated with the job are also considered direct costs and are subject to overhead application.

OVERHEADS

Corporate Operations

This is the overhead cost of administering the Corporation. Included in this category are the work group's pro rata share of Executive, Planning and Legal. Also included is a pro rata share of the cost of Human Resources, Accounting & Finance, External Relations, Procurement, and Information Management.

Investment Related Costs

These are the costs of maintenance and other ownership costs associated with the corporate assets such as Land, Buildings, Office Equipment and General Purpose Computers.

BellSouth Overhead Rate Development

BellSouth uses the total Corporate Cost as the basis for overhead rate development and application. The most direct relationship between the costs is that, for every dollar BST spends (except for depreciation and amortization), there is a proportionate increase in supporting expenses of Corporate Operations and investment related costs.

The rate development process uses total costs for the year for the company as a whole to generate company-wide rates. Other inputs include a composite depreciation/amortization rate and the total corporate cost of plant removal from the asset management system, and the cost of capital rate, various tax rates, and other information from BellSouth Corp. and various regulatory and financial analysis groups. The rates are developed using an EXCEL spreadsheet to capture and assign the appropriate costs.

Since the rates are developed using total corporate costs, it is appropriate to apply the rates to every dollar of those costs charged on outgoing billing for custom work.

AT&T Florida
Florida Public Service Commission
Docket No. 060822-TL
Staff's 1st Request for Documents
June 19, 2007
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ATTACHMENT

PROPRIETARY

ENTIRE DOCUMENT

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE:	)	
	)	Docket No. 060822-TL
Petition of BellSouth Telecommunications, Inc. for Relief from Carrier-of-Last-Resort Obligations Pursuant to Florida Statutes §364.025(6)(d).	)	
	)	Filed: July 9, 2007

AT&T FLORIDA'S RESPONSES TO STAFF'S SECOND SET OF DISCOVERY

BellSouth Telecommunications, Inc. d/b/a AT&T Florida ("AT&T Florida"), pursuant to Rule 28-106.206, Florida Administrative Code, Rules 1.340 and 1.280, Florida Rules of Civil Procedure, and Florida Public Service Commission Order No. PSC-07-0473-PCO-TL, and modified by Order No. PSC-07-0518-PCO-TL, hereby files the following responses to the Florida Public Service Commission Staff's (hereinafter "Staff") Second Set of Interrogatories (Nos. 24-31) and Staff's Second Request for Production of Documents (Nos. 19-23), dated July 2, 2007.

GENERAL OBJECTIONS

1. AT&T FLORIDA objects to the Discovery to the extent it seeks to impose an obligation on AT&T FLORIDA to respond on behalf of subsidiaries, affiliates, or other persons that are not parties to this case on the grounds that such discovery is overly broad, unduly burdensome, oppressive, and not permitted by applicable discovery rules.

2. AT&T FLORIDA objects to the Discovery to the extent it is intended to apply to matters other than those subject to the jurisdiction of the Commission. AT&T FLORIDA objects to such requests as being irrelevant, overly broad, unduly burdensome, and oppressive.

3. AT&T FLORIDA objects to each and every Discovery request and instruction to the extent that such request or instruction calls for information that is exempt from discovery by virtue of the attorney-client privilege, work product privilege, or other applicable privilege.

4. AT&T FLORIDA objects to each and every Discovery request insofar as the requests are vague, ambiguous, overly broad, imprecise, or utilizes terms that are subject to multiple interpretations but are not properly defined or explained for purposes of these data requests. Any answers provided by AT&T FLORIDA in response to the requests will be provided subject to, and without waiver of, the foregoing objection.

5. AT&T FLORIDA objects to each and every Discovery request insofar as they are not reasonably calculated to lead to the discovery of admissible evidence and are not relevant to the subject matter of this action.

6. AT&T FLORIDA objects to providing information to the extent that such information is already in the public record before the Commission or already in the possession of Staff.

7. AT&T FLORIDA objects to the Discovery requests, instructions and definitions, insofar as they seek to impose obligations on AT&T FLORIDA that exceed the requirements of the Florida Rules of Civil Procedure or Florida law.

8. AT&T FLORIDA objects to each and every Discovery request that are unduly burdensome, expensive, oppressive, or excessively time consuming as written.

9. AT&T FLORIDA is a large corporation with employees located in many different locations in Florida and in other states. In the course of its business, AT&T FLORIDA creates countless documents that are not subject to Commission or FCC retention of records requirements. These documents are kept in numerous locations that are frequently moved from

site to site as employees change jobs or as the business is reorganized. Therefore, it is possible that not every document has been identified in response to these requests. AT&T FLORIDA will conduct a search of those files that are reasonably expected to contain the requested information. To the extent that the requests purport to require more, AT&T FLORIDA objects on the grounds that compliance would impose an undue burden or expense.

10. AT&T FLORIDA objects to each and every Discovery request to the extent that the information requested constitutes "trade secrets" pursuant to Florida Statutes. To the extent that Staff requests proprietary confidential business information, AT&T FLORIDA will make such information available upon execution and in accordance with a protective agreement, subject to any other general or specific objections contained herein.

11. AT&T FLORIDA objects to any Discovery request that seeks to obtain "all" of particular documents, items, or information to the extent that such requests are overly broad and unduly burdensome. Any answers provided by AT&T FLORIDA in response to this discovery will be provided subject to, and without waiver of, the foregoing objection.

RESPONSES

REQUEST: For purposes of the following request, please refer to AT&T's responses to Staff's First Set of Interrogatories, No. 5.

(a) Has AT&T made the modifications to its front-end ordering and provisioning systems?

(b) If the response to (a) is affirmative, please identify when these changes were made and how much they cost.

(c) If the response to (a) is negative, please indicate, if known, when AT&T projects that it will incur these costs.

(d) If the response to (a) is affirmative, to date has AT&T recovered any of these costs from a developer in a voice-only situation analogous to Nocatee?

(e) If the response to (d) is affirmative, please identify the developer(s) and the amount(s) recovered.

(f) If the response to (d) is negative, has AT&T attempted to recover any of these costs from a developer in a voice-service-only situation analogous to Nocatee?

(g) If the response to (f) is affirmative, please identify the developer(s) involved and the amount(s) attempted to be recovered.

RESPONSE:

(a) No.

(b) N/A.

(c) Not known. AT&T Florida is determining the most cost effective means to address this issue.

(d) N/A.

(e) N/A.

(f) No.

(g) N/A.

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager, Network Operations Support
Beth Shiroishi, Beth Shiroishi - Sr. Director, Regulatory Planning & Policy

REQUEST: For purposes of the following request, please refer to AT&T's responses to Staff's First Set of Interrogatories, No. 7.

(a) Referring to AT&T's response to No. 7(a), does this response mean that the only alternative network architecture considered for Coastal Oaks and Riverwood was copper-only?

(b) If the response to (a) is negative, please identify each alternative network architecture considered for Coastal Oaks and Riverwood.

(c) Did AT&T evaluate the relative costs of each of the alternative network architectures identified in response to (b)?

(d) If the response to (c) is affirmative, please identify the costs of each of the alternative network architectures identified in response to (b).

(e) If the response to (c) is negative, please indicate why the relative costs of the alternative network architectures were not evaluated.

(f) Referring to AT&T's response to No. 7(e), please explain what a copper subtending terminal is and how it affects loop length. (E.g.., is it between the ONU and the buried service drop?)

(g) Referring to AT&T's response to No. 7(e), in the FTTC configuration model is the 500 foot maximum loop length from the ONU to the buried service drop the maximum loop length for the provision of voice-only service?

(h) If the response to (g) is negative, please explain to what the 500 foot limiting factor applies.

(i) If the response to (g) is affirmative, please explain what accounts for this value (as opposed to e.g., a typical 10 to 12 Kft maximum from a DLC using copper distribution loops).

REQUEST: (Cont.)

(j) Referring to AT&T's responses to Staff's Second Set of Interrogatories No. 7(j) – (k), please identify specifically where in AT&T's response to Staff's First Request for Production of Documents, No. 6, the cost of a fiber-fed DLC with copper loops can be found versus the FTTC architecture.

(k) With the advent of the merger of BellSouth with AT&T, has AT&T Florida's loop technology deployment directives changed?

(l) If the response to (k) is affirmative, please describe what major changes have occurred.

RESPONSE:

(a) Yes, due to the development size, proximity of existing copper and/or fiber facilities, and spare capacity of existing facilities within the area, FTTC and Copper network architectures were the only alternatives considered for Coastal Oaks and Riverwood.

(b) N/A

(c) N/A

(d) N/A

(e) N/A

RESPONSE: (Cont.)

(f) Subtending terminals are extended from the ONU to the opposite side of the roadway in residential developments where four or more homes exist on the opposite side of the street from the ONU. The subtending terminal consist of a 25 pair copper cable extended from the tie blocks of the ONU to a copper terminal in a plastic above ground closure (pedestal). The subtending terminal reduces the congestion caused by large quantities of drop wires at the ONU and is a test point for the homes served from the subtending terminal. The 25 pair copper cable extending from the ONU to the subtending terminal is considered as part of the 500'loop limit.

(g) The standard engineering design guidelines are to have a drop distance from the ONU to the home at 500' or less, regardless of the type of services being offered.

(h) See response to (g) above.

(i) N/A.

(j) Refer to page one of Staff's First Request for Production of Documents, No. 6, cost comparison summary column 7 "SFU COST". Column 7 is the average cost per single family unit (SFU) for Copper and FITL (FTTC) distribution facilities. The cost for copper distribution is notated on line 8 at an average cost of $497 per single family unit. The cost for FITL (FTTC) distribution is notated on line 14 at an average cost of $396 per single family unit.

RESPONSE: (Cont.)

(k) A few changes unrelated to Nocatee have been made to AT&T Florida's loop technology deployment directives as a result of the merger. These changes did not, however, alter or impact AT&T Florida's decisions relating to Nocatee.

(l) AT&T Florida is researching the issue and will supplement its response.

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager, Network Operations Support

REQUEST: For purposes of the following request, please refer to AT&T's responses to Staff's First Set of Interrogatories, No. 9.

(a) By way of clarification, when reference is made to the developer paying the special construction charges submitted by AT&T, is the amount to be paid by the developer these charges, net of five years' exchange revenues?

RESPONSE: (a) The special construction charges submitted by AT&T Florida to the developer consist of the total cost to place facilities to serve the initial phases of Riverwood and Coastal Oaks (including overhead), minus the five year's exchange revenue. Accordingly, the amount requested by AT&T Florida is $443, 935. This amount includes the construction cost of $611,601 less the five times annual anticipated revenue of $167,666.

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager, Network Operations Support
Beth Shiroishi, Beth Shiroishi - Sr. Director, Regulatory Planning & Policy

REQUEST: For purposes of the following request, please refer to AT&T's responses to Staff's First Set of Interrogatories, No. 12.

(a) Please explain what is meant by ". . . AT&T performed the five year exchange analysis on a general basis . . ."

(b) Did AT&T assess special construction charges, net of five years' exchange revenues, to developers prior to the amendment to Section 364.025 in 2006?

(c) If the response to (b) is affirmative, was assessing CIAC to developers in Florida a common practice?

(d) If the response to (c) is affirmative, does AT&T have any information (anecdotal or otherwise) as to how often this might occur in a typical year?

(e) If the response to (d) is affirmative, please indicate how often this would likely occur.

RESPONSE: (a) AT&T Florida performed the same five year analysis that it conducted in this case that it performs in other scenarios when AT&T Florida provides service pursuant to its special construction tariff.

(b) Objection. This interrogatory request is overbroad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence. Notwithstanding and without waiving said objections, to the best of AT&T Florida's knowledge, no in regards to developers.

(c) N/A.

(d) N/A.

(e) N/A.

RESPONSE PROVIDED BY: Rick Vinson, Specialist-Network Services

REQUEST: For purposes of the following request, please refer to AT&T's responses to Staff's First Set of Interrogatories, No. 14.

(a) Please explain what is meant by ". . . AT&T performed the five year exchange analysis on a general basis . . ."

(b) Is assessing CIAC to consumers in Florida a common practice?

(c) If the response to (b) is affirmative, does AT&T have any information (anecdotal or otherwise) as to how often this might occur in a typical year?

(d) If the response to (c) is affirmative, please indicate how often this would likely occur.

RESPONSE: (a) See response to Item No. 27 (a).

(b) No. The majority of special construction charges are associated with requests for moves of existing facilities and temporary service, which would not have the five year exchange analysis applied.

(c) N/A.

(d) N/A.

RESPONSE PROVIDED BY: Rick Vinson, Specialist-Network Services

REQUEST: For purposes of the following request, please refer to AT&T's responses to Staff's First Set of Interrogatories, No. 19(i).

(a) Please explain what "AM Time" is.

(b) Please explain what "PM Time" is.

(c) Does the 49.49% TAP Factor essentially mean, for cost estimating purposes, that for every $1.00 of direct labor costs, there is approximately $.50 of indirect labor cost?

(d) If the response to (c) is negative, please explain how to interpret this factor.

RESPONSE: (a) AM Time consists of the time spent by a technician in the morning to perform miscellaneous company initiated work. This work includes: gathering the appropriate materials from the technician's work center, meeting with his/her supervisor to discuss the work, filling up the technician's vehicle with gas, safety reviews, etc.

(b) PM Time consists of the time spent by a technician in the afternoon to perform miscellaneous company initiated work. This work includes: cleaning out the technician's vehicle, meeting with his/her supervisor to discuss the work performed, turning in unused materials, preparing for the following day's work activities, etc.

(c) No.

RESPONSE: (Cont.)

(d) The TAP factor is an acronymn that stands for "Travel, AM and PM". It captures technician time that is not spent performing work directly at the job site. It is one component of the telco labor.

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager, Network Operations Support
Rick Vinson, Specialist-Network Services

REQUEST: For purposes of the following request, please refer to AT&T's responses to Staff's First Set of Interrogatories, No. 23, page 2 of 3, next to last bullet, where it states "The parties discussed the following options for provision of service . . ." Please identify the specific options that were discussed.

RESPONSE: The options were only discussed orally and to the best of our knowledge, include the following:

1) Nocatee places conduit throughout the property for AT&T to use to fulfill individual requests for service.
2) Nocatee places its own distribution facilities from the residences to the remote terminal (RT) site
3) Nocatee pays AT&T for placing its distribution facilities from the residences to the RT site.

RESPONSE PROVIDED BY: Al Varner, Senior Director, Community Technologies

REQUEST: For purposes of the following request, please refer to AT&T's response to Staff's First Set of Interrogatories, No. 18(d).

(a) Please explain why the values shown on the summary sheet do not match the values shown on the various detailed sheets.

(b) Please identify the source for the Capital Cost per Line.

RESPONSE:

(a) The NPV model that generated the documents previously produced is a dynamic spreadsheet model that allows a user to input different values for certain variables and obtain the results of those scenarios. Because it is a dynamic model, different variables would drive different results. It appears that the summary sheet was printed when the variable for cost of capital (referred to as the "discount rate" in the model) was input as 14%[1]. In researching the answer to this question, additional documents responsive to the request were found and are attached hereto.

It is important to note that the NPV model was not and has not been used in calculating the special construction costs for the Nocatee build or the five times annual revenue analysis that have been submitted in this case and to the developer. The NPV model was an internal tool used in the early phases of involvement with the Nocatee development to achieve basic economic understanding of serving the development.

[1] There appears to be a typographical error in the summary spreadsheet previously provided for the 20 year NPV value for a 10% takerate level as the correct figure should be 1,341,683.

RESPONSE: (Cont.)

(b) The capital cost per line includes the "Unit Price Home Pass" on the third page of the document provided in response to Item Number 1 of Staff's First Data Request on January 29, 2007. In addition to the amount for the "Unit Price Home Pass", the capital cost per line includes costs for allocated fiber feeder cable, a basic exchange switch port, Edge Aggregation Router/Broadband Aggregation Router, interoffice facilities and gateway costs. The internal NPV model included these costs, but for purposes of our special construction bill provided to Nocatee, these charges were excluded.

RESPONSE PROVIDED BY: Beth Shiroishi - Sr. Director, Regulatory Planning & Policy
Larry Bishop – Supervising Manager,
Network Operations Support

REQUEST: Please provide any documents that support your response to Interrogatory No. 25(l).

RESPONSE: AT&T Florida is researching the issue and will supplement its response.

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager, Network Operations Support

REQUEST: Please provide any documents that support your response to Interrogatory No. 27(e).

RESPONSE: See response to Staff's 2nd Set of Interrogatories, Item No. 27 (e).

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager, Network Operations Support

REQUEST: Please provide any documents that support your response to Interrogatory No. 28(d).

RESPONSE: See response to Staff's 2nd Set of Interrogatories, Item No. 28 (d).

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager, Network Operations Support

REQUEST: Please provide any documents that support your response to Interrogatory No. 30.

RESPONSE: There are no responsive documents.

RESPONSE PROVIDED BY: Al Varner, Senior Director, Community Technologies

REQUEST: Please provide any documents that support your response to Interrogatory No. 34(b).

RESPONSE: AT&T Florida is researching the issue and will supplement its response.

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager, Network Operations Support

Respectfully submitted this 9th day of July, 2007.

AT&T FLORIDA

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE:	)	
	)	Docket No. 060822-TL
Petition of BellSouth Telecommunications, Inc. for Relief from Carrier-of-Last-Resort Obligations Pursuant to Florida Statutes §364.025(6)(d).	)	
	)	Filed: July 11, 2007

AT&T FLORIDA'S *SUPPLEMENTAL* RESPONSES TO STAFF'S SECOND SET OF INTERROGATORIES AND SECOND REQUEST FOR PRODUCTION

BellSouth Telecommunications, Inc. d/b/a AT&T Florida ("AT&T Florida"), pursuant to Rule 28-106.206, Florida Administrative Code, Rules 1.340 and 1.280, Florida Rules of Civil Procedure, and Florida Public Service Commission Order No. PSC-07-0473-PCO-TL and modified by Order No. PSC-07-0518-PCO-TL, hereby files the following *supplemental* responses to the Florida Public Service Commission Staff's (hereinafter "Staff") Second Set of Interrogatories (No. 25) and Second Request for Production of Documents (Nos. 19 and 23), dated July 2, 2007.

GENERAL OBJECTIONS

1. AT&T FLORIDA objects to the Discovery to the extent it seeks to impose an obligation on AT&T FLORIDA to respond on behalf of subsidiaries, affiliates, or other persons that are not parties to this case on the grounds that such discovery is overly broad, unduly burdensome, oppressive, and not permitted by applicable discovery rules.

2. AT&T FLORIDA objects to the Discovery to the extent it is intended to apply to matters other than those subject to the jurisdiction of the Commission. AT&T FLORIDA objects to such requests as being irrelevant, overly broad, unduly burdensome, and oppressive.

3. AT&T FLORIDA objects to each and every Discovery request and instruction to the extent that such request or instruction calls for information that is exempt from discovery by virtue of the attorney-client privilege, work product privilege, or other applicable privilege.

4. AT&T FLORIDA objects to each and every Discovery request insofar as the requests are vague, ambiguous, overly broad, imprecise, or utilizes terms that are subject to multiple interpretations but are not properly defined or explained for purposes of these data requests. Any answers provided by AT&T FLORIDA in response to the requests will be provided subject to, and without waiver of, the foregoing objection.

5. AT&T FLORIDA objects to each and every Discovery request insofar as they are not reasonably calculated to lead to the discovery of admissible evidence and are not relevant to the subject matter of this action.

6. AT&T FLORIDA objects to providing information to the extent that such information is already in the public record before the Commission or already in the possession of Staff.

7. AT&T FLORIDA objects to the Discovery requests, instructions and definitions, insofar as they seek to impose obligations on AT&T FLORIDA that exceed the requirements of the Florida Rules of Civil Procedure or Florida law.

8. AT&T FLORIDA objects to each and every Discovery request that are unduly burdensome, expensive, oppressive, or excessively time consuming as written.

9. AT&T FLORIDA is a large corporation with employees located in many different locations in Florida and in other states. In the course of its business, AT&T FLORIDA creates countless documents that are not subject to Commission or FCC retention of records requirements. These documents are kept in numerous locations that are frequently moved from

site to site as employees change jobs or as the business is reorganized. Therefore, it is possible that not every document has been identified in response to these requests. AT&T FLORIDA will conduct a search of those files that are reasonably expected to contain the requested information. To the extent that the requests purport to require more, AT&T FLORIDA objects on the grounds that compliance would impose an undue burden or expense.

10. AT&T FLORIDA objects to each and every Discovery request to the extent that the information requested constitutes "trade secrets" pursuant to Florida Statutes. To the extent that Staff requests proprietary confidential business information, AT&T FLORIDA will make such information available upon execution and in accordance with a protective agreement, subject to any other general or specific objections contained herein.

11. AT&T FLORIDA objects to any Discovery request that seeks to obtain "all" of particular documents, items, or information to the extent that such requests are overly broad and unduly burdensome. Any answers provided by AT&T FLORIDA in response to this discovery will be provided subject to, and without waiver of, the foregoing objection.

RESPONSES

REQUEST: For purposes of the following request, please refer to AT&T's responses to Staff's First Set of Interrogatories, No. 7.

(a) Referring to AT&T's response to No. 7(a), does this response mean that the only alternative network architecture considered for Coastal Oaks and Riverwood was copper-only?

(b) If the response to (a) is negative, please identify each alternative network architecture considered for Coastal Oaks and Riverwood.

(c) Did AT&T evaluate the relative costs of each of the alternative network architectures identified in response to (b)?

(d) If the response to (c) is affirmative, please identify the costs of each of the alternative network architectures identified in response to (b).

(e) If the response to (c) is negative, please indicate why the relative costs of the alternative network architectures were not evaluated.

(f) Referring to AT&T's response to No. 7(e), please explain what a copper subtending terminal is and how it affects loop length. (E.g.., is it between the ONU and the buried service drop?)

(g) Referring to AT&T's response to No. 7(e), in the FTTC configuration model is the 500 foot maximum loop length from the ONU to the buried service drop the maximum loop length for the provision of voice-only service?

(h) If the response to (g) is negative, please explain to what the 500 foot limiting factor applies.

(i) If the response to (g) is affirmative, please explain what accounts for this value (as opposed to e.g., a typical 10 to 12 Kft maximum from a DLC using copper distribution loops).

REQUEST: (Cont.)

(j) Referring to AT&T's responses to Staff's Second Set of Interrogatories No. 7(j) – (k), please identify specifically where in AT&T's response to Staff's First Request for Production of Documents, No. 6, the cost of a fiber-fed DLC with copper loops can be found versus the FTTC architecture.

(k) With the advent of the merger of BellSouth with AT&T, has AT&T Florida's loop technology deployment directives changed?

(l) If the response to (k) is affirmative, please describe what major changes have occurred.

RESPONSE:

(a) Yes, due to the development size, proximity of existing copper and/or fiber facilities, and spare capacity of existing facilities within the area, FTTC and Copper network architectures were the only alternatives considered for Coastal Oaks and Riverwood.

(b) N/A

(c) N/A

(d) N/A

(e) N/A

RESPONSE: (Cont.)

(f) Subtending terminals are extended from the ONU to the opposite side of the roadway in residential developments where four or more homes exist on the opposite side of the street from the ONU. The subtending terminal consist of a 25 pair copper cable extended from the tie blocks of the ONU to a copper terminal in a plastic above ground closure (pedestal). The subtending terminal reduces the congestion caused by large quantities of drop wires at the ONU and is a test point for the homes served from the subtending terminal. The 25 pair copper cable extending from the ONU to the subtending terminal is considered as part of the 500'loop limit.

(g) The standard engineering design guidelines are to have a drop distance from the ONU to the home at 500' or less, regardless of the type of services being offered (i.e. voice, video, or data). Data services will work beyond 500', but the data rates will drop off at longer lengths. For consistency, the 500' length is used as the standard design guideline.

(h) See response to (g) above.

(i) N/A.

(j) Refer to page one of Staff's First Request for Production of Documents, No. 6, cost comparison summary column 7 "SFU COST". Column 7 is the average cost per single family unit (SFU) for Copper and FITL (FTTC) distribution facilities. The cost for copper distribution is notated on line 8 at an average cost of $497 per single family unit. The cost for FITL (FTTC) distribution is notated on line 14 at an average cost of $396 per single family unit.

RESPONSE: (Cont.)

(k) A few changes unrelated to Nocatee have been made to AT&T Florida's loop technology deployment directives as a result of the merger. These changes did not, however, alter or impact AT&T Florida's decisions relating to Nocatee.

(l) AT&T Florida is researching the issue and will supplement its response.

SUPPLEMENTAL RESPONSE:

(l) See AT&T Florida's response to Request for Production, Item No. 19.

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager, Network Operations Support

REQUEST: Please provide any documents that support your response to Interrogatory No. 25(l).

RESPONSE: AT&T Florida is researching the issue and will supplement its response.

SUPPLEMENTAL RESPONSE:

This information is confidential business information and is being provided subject to a Notice of Intent.

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager, Network Operations Support

REQUEST: Please provide any documents that support your response to Interrogatory No. 34(b).

RESPONSE: AT&T Florida is researching the issue and will supplement its response.

SUPPLEMENTAL RESPONSE:

This information is confidential business information and is being provided subject to a Notice of Intent.

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager, Network Operations Support

Respectfully submitted this 11th day of July, 2007.

AT&T FLORIDA

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE:	)	
	)	Docket No. 060822-TL
Petition of BellSouth Telecommunications, Inc. for Relief from Carrier-of-Last-Resort Obligations Pursuant to Florida Statutes §364.025(6)(d).	)	
	)	Filed: July 10, 2007

AT&T FLORIDA'S RESPONSES TO STAFF'S THIRD SET OF INTERROGATORIES

BellSouth Telecommunications, Inc. d/b/a AT&T Florida ("AT&T Florida"), pursuant to Rule 28-106.206, Florida Administrative Code, Rules 1.340 and 1.280, Florida Rules of Civil Procedure, and Florida Public Service Commission Order No. PSC-07-0473-PCO-TL and modified by Order No. PSC-07-0518-PCO-TL, hereby files the following responses to the Florida Public Service Commission Staff's (hereinafter "Staff") Third Set of Interrogatories (Nos. 32-34), dated July 3, 2007.

GENERAL OBJECTIONS

1. AT&T FLORIDA objects to the Discovery to the extent it seeks to impose an obligation on AT&T FLORIDA to respond on behalf of subsidiaries, affiliates, or other persons that are not parties to this case on the grounds that such discovery is overly broad, unduly burdensome, oppressive, and not permitted by applicable discovery rules.

2. AT&T FLORIDA objects to the Discovery to the extent it is intended to apply to matters other than those subject to the jurisdiction of the Commission. AT&T FLORIDA objects to such requests as being irrelevant, overly broad, unduly burdensome, and oppressive.

3. AT&T FLORIDA objects to each and every Discovery request and instruction to the extent that such request or instruction calls for information that is exempt from discovery by virtue of the attorney-client privilege, work product privilege, or other applicable privilege.

4. AT&T FLORIDA objects to each and every Discovery request insofar as the requests are vague, ambiguous, overly broad, imprecise, or utilizes terms that are subject to multiple interpretations but are not properly defined or explained for purposes of these data requests. Any answers provided by AT&T FLORIDA in response to the requests will be provided subject to, and without waiver of, the foregoing objection.

5. AT&T FLORIDA objects to each and every Discovery request insofar as they are not reasonably calculated to lead to the discovery of admissible evidence and are not relevant to the subject matter of this action.

6. AT&T FLORIDA objects to providing information to the extent that such information is already in the public record before the Commission or already in the possession of Staff.

7. AT&T FLORIDA objects to the Discovery requests, instructions and definitions, insofar as they seek to impose obligations on AT&T FLORIDA that exceed the requirements of the Florida Rules of Civil Procedure or Florida law.

8. AT&T FLORIDA objects to each and every Discovery request that are unduly burdensome, expensive, oppressive, or excessively time consuming as written.

9. AT&T FLORIDA is a large corporation with employees located in many different locations in Florida and in other states. In the course of its business, AT&T FLORIDA creates countless documents that are not subject to Commission or FCC retention of records requirements. These documents are kept in numerous locations that are frequently moved from

site to site as employees change jobs or as the business is reorganized. Therefore, it is possible that not every document has been identified in response to these requests. AT&T FLORIDA will conduct a search of those files that are reasonably expected to contain the requested information. To the extent that the requests purport to require more, AT&T FLORIDA objects on the grounds that compliance would impose an undue burden or expense.

10. AT&T FLORIDA objects to each and every Discovery request to the extent that the information requested constitutes "trade secrets" pursuant to Florida Statutes. To the extent that Staff requests proprietary confidential business information, AT&T FLORIDA will make such information available upon execution and in accordance with a protective agreement, subject to any other general or specific objections contained herein.

11. AT&T FLORIDA objects to any Discovery request that seeks to obtain "all" of particular documents, items, or information to the extent that such requests are overly broad and unduly burdensome. Any answers provided by AT&T FLORIDA in response to this discovery will be provided subject to, and without waiver of, the foregoing objection.

RESPONSES

REQUEST: For purposes of the following request, please refer to AT&T's response to Staff's First Request for Production of Documents, No. 6.

(a) Please define FRC 257C.

(b) Please indicate to what MCAD12-SFTV80 refers.

(c) Please indicate to what MLTONU2-12/24SF refers.

(d) Please define FRC 548C.

(e) Please define FRC 845C.

(f) Please indicate to what RFFBCP-2/5 refers.

(g) Please indicate to what FIBCPR-2/5/100 refers.

(h) Please indicate to what BS3492B6018AW36 refers.

(i) Please indicate to what BS3492BT48AW100 refers.

(j) Please indicate to what RF3492B6006AW12 refers.

(k) Please indicate to what FIBCPR-2/5/350 refers.

(l) Please indicate to what BS3492B6036AW75 refers.

(m) Please indicate to what RF3492B6006AW06 refers.

(n) Please indicate to what RFFBCP-2/2 refers.

(o) Please define FRC 45C.

REQUEST: (Cont.)

(p) Please define FRC 1C.

(q) Please define FRC 22C.

(r) Please indicate to what BKMA-100 refers.

RESPONSE:

(a) FRC 257C is the field reporting code for digital loop electronics material and labor.

(b) MCAD12-SFTV80 refers to the ONU closure.

(c) MLTONU2-12/24SF refers to the optical network unit (ONU) electronics.

(d) FRC 548C is the field reporting code for buried service wire material and labor.

(e) FRC 845C is the field reporting code for buried fiber cable material and labor.

(f) RFFBCP-2/5 refers to a factory spliced or Factory Installed Termination System (FITS) buried composite cable with (2) fiber and (5) copper pairs.

(g) FIBCPR-2/5/100 refers to a 100' buried composite cable with (2) fiber and (5) copper pairs. Field splicing required.

(h) BS3492B6018AW36 refers to a buried composite cable with (18) fiber and (36) copper pairs. Field splicing required.

RESPONSE: (Cont.)

(i) BS3492BT48AW100 refers to a buried composite cable with (48) fiber and (100) copper pairs. Field splicing required.

(j) RF3492B6006AW12 refers to a factory spliced or Factory Installed Termination System (FITS) buried composite cable with (6) fiber and (12) copper pairs.

(k) FIBCPR-2/5/350 refers to a 350' buried composite cable with (2) fiber and (5) copper pairs. Field splicing required.

(l) BS3492B6036AW75 refers to a buried composite cable with (36) fiber and (75) copper pairs. Field splicing required.

(m) RF3492B6006AW06 refers to a factory spliced or Factory Installed Termination System (FITS) buried composite cable with (6) fiber and (6) copper pairs.

(n) RFFBCP-2/2 refer to a factory spliced or Factory Installed Termination System (FITS) buried composite cable with (2) fiber and (2) copper pairs.

(o) FRC 45C is the field reporting code for buried copper cable material and labor.

(p) FRC 1C is the field reporting code for aerial cable support structure material and labor.

(q) FRC 22C is the field reporting code for aerial copper cable material and labor.

(r) BKMA-100 refers a 100 pair, 24 gauge aerial copper cable.

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager, Network Operations Support

REQUEST: For purposes of the following request, please refer to AT&T's response to Staff's First Request for Production of Documents, No. 14.

(a) Please define CC.

(b) Please define APwCC includes LOS.

(c) Please define BPP with AP.

(d) Please define BPP

(e) Please define Total AP includes LOS.

(f) Referring to the last line on this spreadsheet, is the value in the first column the number of residential lines that subscribe to BSLD?

(g) If the response to (f) is negative, please clarify what this value represents.

RESPONSE: (a) Complete Choice

(b) Area Plus Service with Complete Choice includes Local Optional Service*

(c) BellSouth PreferredPack Plan with Area Plus Service

(d) BellSouth PreferredPack Plan

(e) Area Plus Service/Plan includes Local Optional Service*

(f) Yes, for that specific time period.

(g) N/A.

* Local Optional Service is not applicable in Florida. This is a plan available in certain other states, and as such, the category names were set up to include it. However, in the case of Florida, the category would just include the other services described and not Local Optional Service.

RESPONSE PROVIDED BY: Beth Shiroishi, Beth Shiroishi - Sr. Director, Regulatory Planning & Policy

REQUEST: For purposes of the following request, please refer to AT&T's response to Staff's First Request for Production of Documents, No. 17.

(a) Please define FRC 68E.

(b) Please indicate to what TMONU2-12/24SF refers.

(c) Please indicate to what MCAD12-SF refers.

(d) Please indicate to what MFJK4WMM4011F refers.

(e) Please indicate to what XTVM22AOG0001 refers.

(f) Please indicate to what SR144H2M1100 refers.

(g) Please indicate to what COMPROTB025 refers.

(h) Please indicate to what ALPHAGEN7.5PG refers.

(i) Please indicate to what COMPROTB100 refers.

(j) Please indicate to what TM7005F refers.

(k) Please indicate to what EJBL100MXRBS refers.

(l) Please indicate to what DC-5BW2LT-24 refers.

RESPONSE:

(a) FRC 68E is the field reporting code for pre wire inside multi dwelling units material and labor.

(b) TMONU2-12/24SF refers to the optical network unit (ONU) electronics.

RESPONSE: (Cont.)

(c) MCAD12-SF refers to the ONU closure.

(d) Fiber jumpers used for connectivity inside a remote terminal cabinet.

(e) XTVM22AOG0001 refers Remote Terminal cabinet (RT).

(f) SR144H2M1100 refers to a 144 fiber termination shelf with a 100' fiber cable tail to the outside plant.

(g) COMPROTB025 refers to a 25 pair Protector block required inside the RT cabinet.

(h) ALPHAGEN7.5PG refers to a 7.5 KW back up generator located on the RT site to maintain service during a commercial power outage.

(i) COMPROTB100 refers to a 100 pair Protector block required inside the RT cabinet.

(j) TM7005F refers to a distribution shelf located in the RT cabinet that distributes lines to the outside plant or ONU.

(k) EJBL100MXRBS refers to a Power panel to power RT with commercial power.

(l) DC-5BW2LT-24 refers to an armored 24 fiber buried cable.

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager, Network Operations Support

Respectfully submitted this 10th day of July, 2007.

AT&T FLORIDA

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CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060822-TL EXHIBIT 3
COMPANY FL PSC Staff
WITNESS Stip-3 Confidential
DATE 07/24/07

CONFIDENTIAL EXHIBIT NO._____

DOCKET NO.: 060822-TL

WITNESS: N/A

PARTY: Staff

DESCRIPTION:

Composite of AT&T Florida's CONFIDENTIAL Responses to Staff Discovery and Data Request

a. AT&T Florida's CONFIDENTIAL Responses to Staff Data Request BS-1 (Nos. 1, 5, and 7), DN 01382-07;

b. AT&T Florida's CONFIDENTIAL Amended Response to Staff Data Request BS-1 (No. 7), DN 05739-07;

c. AT&T Florida's CONFIDENTIAL Responses to Staff's First Set of Interrogatories Nos. 18) and First Request for Production of Documents (Nos. 3, 4, 5, 6, 7, 13, 14, 16, and 17), DN 05095-07, *DOCUMENTS CONTAINED ON A CD*;

d. AT&T Florida's CONFIDENTIAL Responses to Staff's Second Set of Interrogatories (No. 31), DN 05741-07;

e. AT&T Florida's CONFIDENTIAL Supplemental Responses to Staff's Second Set of Interrogatories (No. 25) and Second Request for Production of Documents (Nos. 19-23), DN 05838-07.

PROFFERING PARTY: Staff

I.D. No. STIP-3

EXHIBIT NO._____

DOCKET NO.: 060822-TL

WITNESS: N/A

PARTY: Staff

DESCRIPTION:

Composite of Nocatee's Responses to Staff Discovery and Data Request

a. Nocatee's Responses to Staff's First Data Request NOC-1;

b. Nocatee's Responses to Staff's First Request for Production of Documents (Nos. 1-4).

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060822-TL **EXHIBIT** 4
COMPANY FL PSC Staff
WITNESS Stip-4
DATE 07-24-07

PROFFERING PARTY: Staff

I.D. No. STIP-4

M C
& S
MESSER CAPARELLO & SELF, P.A.

Attorneys At Law

www.lawfla.com

ORIGINAL

RECEIVED-FPSC
07 JUL -3 PM 3:00
COMMISSION
CLERK

July 3, 2007

BY HAND DELIVERY
Ms. Ann Cole, Director
Commission Clerk and Administrative Services
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket No. 060822-TL –Nocatee Development Company/SONOC Company, LLC's Public Document

Dear Ms. Cole:

On February 14, 2007, Nocatee Development Company/SONOC Company, LLC ("Nocatee"), pursuant to Section 364.183(1), Florida Statutes, filed its claim that certain information provided in the Responses to Staff's Data Request No. NOC-1 contained confidential and proprietary business information that should be held exempt from public disclosure. On February 28, 2007, Nocatee notified the Commission that only portions of two of the documents are confidential and Nocatee filed revised redacted documents reflecting the limited confidential information. Also on February 28th Nocatee advised the Commission that the third document was no longer confidential, but at that time we did not file a public version of that third document. Accordingly, attached to this letter is a copy of the third document reflecting that the entire document is public.

Please acknowledge receipt of this letter by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

Sincerely,

Floyd R. Self

FRS/amb
Enclosure
cc: Parties of Record

05582 JUL -3 07
FPSC-COMMISSION CLERK

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INSTALLATION AND SERVICES AGREEMENT

THIS INSTALLATION AND SERVICES AGREEMENT (the "Agreement") is made and entered into this 5 day of JUNE, 2006, by and between **COMCAST OF GREATER FLORIDA / GEORGIA, INC.** (the "Company"), whose address is 6805 Southpoint Parkway, Jacksonville, Florida 32216 and **SONOC COMPANY, LLC** (the "Owner") who owns or has control over certain real estate and improvements thereon constituting a Development of Regional Impact known as Nocatee (the "Premises"), as graphically depicted on **Exhibit "A"** attached hereto and made a part hereof.

The Company has been granted by the City of Jacksonville and St. Johns County (the "Franchise Authority," which term shall include any successor franchisor) a franchise to construct and operate a cable communications system in the City of Jacksonville and County of St. Johns, respectively. The Owner desires to provide broadband services to residential units within the Premises, including, but not limited to telephone ("Voice"), high speed Internet and information services ("Data") and multi-channel video service ("Video") (collectively, the "Services") and the Company is willing to install, maintain and operate such broadband communications system for such purposes on the Premises in accordance with the terms and conditions below.

NOW, THEREFORE, for good and valuable consideration, the parties, intending to be legally bound, agree as follows:

1. **System Construction and Installation**. The Company agrees to install all facilities necessary to transmit the Services to residential units within the Premises, including, but not limited to, distribution cables, amplifiers, pedestals, lock boxes, equipment and appurtenant devices except for the wiring inside the residential units (the "System"). All work shall be done by the Company in a proper and workmanlike manner in accordance with Federal Communications Commission ("FCC") regulations, industry standards and local codes. Unless otherwise provided in this Agreement, the Company shall be responsible for all costs and expenses incurred by it in constructing the System. The Company agrees to repair and/or replace any damage to the Premises resulting from the installation, operation, maintenance or removal of the System. The Company will be responsible for obtaining all necessary permits, licenses and approvals in connection with the construction, installation and operation of the System. Owner shall include provisions in all land sale agreements with builders purchasing land from Owner for construction of residential units ("Builders") requiring such Builders to pre-wire units in accordance with Company's pre-wire specifications attached hereto as **Exhibit "B."** Company acknowledges that Owner's utility construction schedule contemplates that Company commence installation of the System on or about ninety (90) days after the date hereof.

1.1 Prior to the installation of the System (i) construction plans prepared by the Company for installation in the primary infrastructure areas of the Premises, such as main road systems and utility corridors, shall be reviewed and approved by the Owner, provided that

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Owner's approval shall not be unreasonably withheld; and (ii) construction plans prepared by Company for installation within those portions of the Premises to be conveyed to Builders shall be reviewed and approved by the applicable Builder provided Builder approval shall not be unreasonably withheld. Owner and Builder shall locate on such plans all underground facilities existing on the Premises to the extent known to Owner or Builder. Company shall use commercially reasonable efforts to install all conduit at road crossings coincident with installation of electrical and irrigation subsurface components at road crossings and provided that Owner, or any Builder provides Company reasonable advance notice of such installation timetable. If Company and Owner (or the Builder requesting such installation) agree, then installation of conduit at road crossings may be installed by Owner or such Builder coincident with related infrastructure. If Owner or such Builder makes such election, Company shall reimburse the party effecting such installation within thirty (30) days of receipt of copies of paid invoices or construction draw requests and certification of completion of such installation. If Owner or any Builder performs such installation, any amounts not paid when due shall bear interest at one percent (1%) per month. Company also agrees to cause its representative to attend all pre-construction meetings noticed to Company by Owner or Builder at least five (5) business days in advance. If Company fails to use commercially reasonable efforts to coordinate its construction activities as provided herein, then in addition to all other remedies available to Owner or a Builder, Company shall be obligated for the cost and expense incurred or to be incurred to restore any improvements to satisfactory condition resulting from Company installation. Company agrees to joint trench all of its subsurface conduit and to cooperate with other utility providers where joint trenching is an available opportunity so long as the cost of such joint trenching does not exceed normal and customary trenching expenses incurred by Company generally. The provisions of this Section 1.1 as they relate to Builders shall be included in land sale agreements between Owner and Builders.

1.2 The ownership of all parts of the System installed by the Company shall be and will remain the personal property of the Company. At no time during or after the term hereof shall the owner or any third party have the right to use the System or any portion thereof for any purpose.

1.3 The System to be installed by Company shall be a hybrid fiber coaxial transmission system with node sizes serving no more than 200 residential units, and is capable of providing the Services. The System shall also include conduit connection directly to each residential unit from the tap.

1.4 Company shall install and test the System and perform all other actions necessary to make the Services available to each residential unit not later than issuance of the Certificate of Occupancy or equivalent completion certificate for each residential unit within the Premises provided that the Company has received ninety (90) days prior written notice of the anticipated completion date of the residential unit (the "CO Notice"). Subject to the provisions of Section 15.1, Company shall pay to Owner liquidated damages in the amount of $125.00 per residential unit as to which the Services are delayed beyond the required Delivery Date set forth herein to provide the Services to a residential unit as to which (a) Company received the CO Notice; (b) such unit is occupied by a resident; and (c) Company failed to connect Services to the residential unit within seven (7) days of the resident's request for such Services (the "Delivery Date"). The

parties acknowledge that the payment provided for herein represents liquidated damages for such delay which are not capable of ascertainment and do not constitute a penalty.

1.5 Company shall provide ten (10) data terminations at locations as designated by Owner from time to time within the Premises which shall allow for deployment of wireless "hotspots" at the expense of Company; provided that any such location shall be within 125 feet of a public right-of-way or easement granted to Company. These locations may be modified by Owner from time to time upon thirty (30) days prior written notice to Company, at which time Company shall relocate such wireless services at the expense of Owner. Company shall not be required to provide such hotspots until Owner and Company have entered into a separate agreement on customary terms and conditions governing the terms and condition of the internet service to be provided through such hot spots by Company, including but not limited to an acceptable use policy.

1.6 Company will provide an insertion point for a Nocatee community channel when the Company transmission facility as provided for in Section 2.3 is complete, but no later than January 1, 2008. Owner will be responsible for providing the content and encoding equipment. Company will provide the transmission equipment. The parties shall enter into a separate channel agreement substantially in the form and content attached hereto as **Exhibit "C."**

2. Easements.

2.1 Owner has the authority to grant or assign non-exclusive easements in favor of the Company to place its lines for the purpose of providing the Services to residential units.

2.2 Owner has included or shall include a provision in its land sale agreements to Builders that requires such Builders to grant a non-exclusive easement to Company during the term of this Agreement for the purpose of installing, operating, maintaining and removing the System and providing the Services as provided for under this Agreement. If any such Builder shall fail to grant such easements as provided for herein in favor of Company, then in such event Owner shall execute the form of Assignment of Easement attached hereto as **Exhibit "C."** D

2.3 Owner shall provide to Company a non-exclusive easement (so long as the Services are provided by Company within the Premises) for the location of a transmission facility to be constructed by Company and subject to Owner's right of architectural approval as to exterior appearance and materials, approval by Owner not to be unreasonably withheld. The Company shall have the exclusive use of the easement area where the Company's structure is located. The easement shall be 100 feet by 150 feet and the location shall be mutually agreed upon by Owner and Company within one hundred and fifty (150) days from the date hereof.

3. Access. In addition to the easements over and upon the Premises referenced in Section 2 above, Owner will require Builders in its land sale agreements to (i) allow Company to enter all common areas of the Premises for the purposes of auditing, disconnecting service, installing, maintaining repairing, replacing or removing equipment and apparatus connected with the provision of the Services and to enter residential units prior to conveyance to third party purchasers for the purpose of inspecting pre-wiring of such units; (ii) supply the unit numbers of

residential units at reasonable intervals; (iii) cooperate with the Company to prevent (a) the unauthorized possession of converters or channel selectors; and (b) the unauthorized reception of the Services; and (iv) provide space in residential sales offices as mutually agreed by the parties for display of the Services marketing materials.

4. No Other Bulk Provider Agreement or Preferred Provider Agreement. Owner agrees that, on its own behalf and so long as it controls the Nocatee Master Association, Inc. (the "Master Association"), it shall not cause the Master Association to enter into a bulk provider agreement for voice, video or data services under which terms expenses incurred for such services shall constitute an expense which may be funded through collection of assessments by the Master Association or enter into a "preferred" or exclusive provider agreement. Owner acknowledges and understands that the installation of the System represents a significant investment by Company on the Premises. In recognition of such investment, Owner agrees to use best efforts (except to the extent such matter is controlled by the requirements of Chapter 718, Florida Statutes) to prevent any Builder in control of a sub-association from entry into, or cause such Builder to terminate any bulk provider agreement for voice, video or data services under which terms expenses incurred for such services shall constitute an expense which may be funded through collection of assessments by such sub-association, including but not limited invoking Owner's rights set forth in the Special Warranty Deed between Owner and Builder or litigation to enforce Owner's right to designate the cable television, telecommunication, data and other telecommunications information services provider under the Warranty Deed or in the separate agreement land sale agreement between Owner and Builder. Owner further agrees that it shall not enter into any preferred provider agreement which shall obligate Owner to exclusively promote or endorse any other voice, video or data service provider. Owner shall reserve, to the extent permitted by law, the right to designate the service provider of video and data Services to residential units within the Premises and shall (i) not assign such right to any other party as to video or data Services except to an assignee of Owner's rights and obligations under this Agreement who assumes such obligations; or (ii) not designate another provider of video or data Services to residential units within the Premises by entry into a "preferred" or exclusive provider agreement, so long as this Agreement remains in effect; and (iii) use commercially reasonable efforts to prevent Builders from entry into or to terminate any such preferred provider agreement.

5. Fees and Charges for Services. The terms, conditions, charges and fees for the Services provided to residential units within the Premises shall be contained in contracts between the Company and individual residents. The Owner assumes no liability or responsibility for service or any other charges contracted for by residents. All billing and collections from residents will be accomplished by the Company.

6. Customer Service and Service Standards. The Company shall provide customer service in accordance with its franchise agreement with the applicable Franchise Authority. The Company will maintain a local or toll-free telephone number which will be available to its subscribers 24 hours a day, seven days a week. Company representatives will be available to respond to customer telephone inquiries during normal business hours. The Company will begin working on service interruptions promptly and in no event later than the next business day after notification of the service problem, excluding conditions beyond the control of the Company.

6.1 Company shall use commercially reasonable efforts to provide the Data Service at initial data speeds of not less than 6 Mbps download, 768 Kpbs upload. A higher data speed product of 16 Mbps download and 1 Mbps upload will be available to data subscribers at standard surcharge.

6.2 Company will use its best efforts to achieve speeds no less than the advertised maximum speeds 90% of the time each day and the System will be up 99.98% annually, provided these obligations shall only apply from the point of demarcation to Company's connection to the Internet.

6.3 Company shall deliver all Services provided by a franchised cable television operator operating within a fifty (50) mile radius of the Premises offered to all residential customers within such operators franchise area as of the date hereof as to the initial Services delivered by Company, and not later than twelve (12) months from notice from Owner specifying Services later added by such franchised cable television operator. If for any reason Company shall fail to meet its obligations to make such additional Services available to the residents, then in such event, Owner after providing notice and the opportunity to cure as set forth in Section 13.1 shall have the right to partially terminate this Agreement collectively as to Sections 1.4, 1.5, 4, 6.1-6.4, 7, 13.4 and Section 15.13 (but with respect to Section 15.13, only as to the terminated provisions of this Agreement); and, Owner will continue to reserve and/or assign the non-exclusive easements within the Premises to Company as provided for in Section 2 above in the event of termination of this Agreement by Owner as a result of a default by Company pursuant to the provisions of this Section 6.3.

6.4 All Services shall be offered by Company within the Premises at then current standard rates and pricing for the City of Jacksonville and St. Johns County, Florida.

7. **Marketing Support.** Owner shall include in all land sale agreements to Builders to include the following Marketing Support requirements:

- Notifying residents and prospective residents of the availability of the Services.
- Presenting Company's marketing materials to existing and prospective residents during sales presentations and at real estate closings and to existing residents who are not subscribers to the Company's Services. (Marketing materials may include, at the Company's discretion, brochures, channel lineups, door hangers, Service descriptions, and information regarding prices and special offers. The Company shall provide all marketing materials.)
- Displaying and maintaining model home/sales center materials provided by Company.
- Coordinating Builder's construction activities with Company's Construction Department as necessary to aid Company so that it is able to design and construct its system and provide Service to customers in accordance with this Agreement.
- Provide to Company on a monthly basis the new addresses of new residents prior to their move in date.

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- Providing access to activate cable Service in new residential units prior to the resident's move-in date and provide Company marketing materials at each residential unit.
- Company sales materials and contact information shall be presented to purchasers upon acceptance of the purchase and sales agreement by parcel developer.

8. **Interference**. Neither the Owner nor its agents or Builders will tap or otherwise interfere with the System for any purposes. Notwithstanding anything else in this Agreement to the contrary, the Company shall not interfere with the right of an individual resident to install or use his own private reception device, provided, however, that should any device or any facility belonging to a resident (or Owner) not comply with the technical specifications established by the FCC, including, but not limited to, signal leakage, which interferes with the Company's delivery of the Services, the Company reserves the right to discontinue service to the Premises, or, at the Company's discretion, the individual residential unit, until such non-conformance is cured by the Owner or resident as the case may be.

9. **Term**. This Agreement, when duly executed by both parties, shall constitute a binding agreement between the Owner and the Company and their respective successors and assigns for a term of fifteen (15) years from the date hereof. This Agreement shall automatically renew for successive periods of one (1) year unless either party shall provide the other with a minimum sixty (60) days notice of its intention not to renew at the end of the then current term.

10. **Insurance**. The Company agrees to maintain public liability insurance and property damage liability insurance as required by the Company's franchise agreement with the applicable Franchise Authority. Upon request, the Company will provide the Owner with a certificate evidencing such insurance.

11. **Indemnification**. The Company shall indemnify, defend and hold the Owner harmless from any and all claims, damage or expense arising out of the actions or omissions of the Company, its agents and employees with respect to the installation, operation, maintenance or removal of the System and the Services provided to residential units at the Premises pursuant to this Agreement. The Owner shall indemnify, defend and hold the Company harmless from any and all claims, damage or expense arising out of the negligence or willful misconduct of the Owner, its agents and employees.

12. **Limitation of Liability**. NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY LOST PROFITS, SPECIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO FRUSTRATION OF ECONOMIC OR BUSINESS EXPECTATIONS, LOSS OF PROFITS, LOSS OF CAPITAL, COST OF SUBSTITUTE PRODUCT(S), FACILITIES OR SERVICES, OR DOWN TIME COST, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

13. **Termination**.

13.1 **Default**. In the event either party defaults in the performance of any of the material terms of this Agreement, the non-defaulting party shall give the defaulting party

written notice specifying the nature of such default and identifying the specific provision in this Agreement which gives rise to the default. The defaulting party shall have sixty (60) days to either (i) cure the default; or (ii) if such default is incapable of cure within such sixty (60) day period, commence curing the default within such sixty (60) day period and diligently pursue such cure to completion. In the event the defaulting party fails to do so within such sixty (60) day period, the non-defaulting party may, as its sole remedy, terminate this Agreement upon thirty (30) days written notice without further liability of either party; provided however, Owner shall be entitled to the remedy of specific performance as to payment of any marketing fees due Owner pursuant to supplementary agreement between Owner and Company so long as such supplementary agreement remains in effect.

13.2 **Loss of Franchise**. This Agreement shall terminate automatically without any further liability on the part of the Company in the event the Company's franchise with the Franchise Authority or any renewal thereof ceases to be in effect.

13.3 **Insolvency**. In addition to the rights set forth in this section, this Agreement may be terminated by Owner giving notice to Company at any time after the occurrence of any of the following events:

(a) If Company becomes or is declared bankrupt or is the subject of any proceedings related to its liquidation, or for the appointment of a receiver or similar officer;

(b) Company makes a general assignment for the benefit of creditors; or

(c) Company ceases doing business or commences dissolution or liquidation.

13.4 **Other Provider**. In the event another wireline provider of data or video Services shall (i) obtain the right of access to the Premises by grant of private easement and not solely by virtue of its rights of installation in public rights of way; and (ii) such provider actually activates data or video Services to any such portions of the Premises, then in such event the Company shall have the right, at its option, to partially terminate this Agreement collectively as to Sections 1.4, 1.5, 2, 6.1-6.4, 7, 13.4 and Section 15.13 (but with respect to Section 15.13, only as to the terminated provisions of this Agreement), upon thirty (30) days prior written notice to Owner; provided however, the provisions of Section 2 shall terminate only as to areas of the Premises as to which a non-exclusive easement has not been previously granted or assigned to Company pursuant to Section 2 hereof as of the date of such partial termination, and the surviving provisions of this Agreement shall apply only to areas of the Premises to which Company thereafter provides any Services.

13.5 **Removal of System**. Upon termination of this Agreement in its entirety for any reason, the Company shall have a period of six (6) months in which it shall be entitled, but not required, to remove the System. The Company shall promptly repair any damage to the Premises occasioned by such removal.

14. **Dispute Resolution**. All disputes under this Agreement shall be submitted to, and settled by arbitration in accordance with the rules of the American Arbitration Association. The parties shall appoint a mutually agreeable arbitrator reasonably familiar with multi-channel video program distribution systems and services. In the event the parties are unable to

agree to a single arbitrator, the dispute shall be submitted to a panel of three (3) arbitrators, one of which shall be reasonably familiar with multi-channel video program distribution systems and services. Each party shall appoint an arbitrator and the two arbitrators so appointed shall then select a third arbitrator. The arbitrators shall apply applicable federal laws and regulations and the laws of the jurisdiction in which the Premises are located, without regard to its choice of law principles. The decision of the arbitrators shall be binding and conclusive on all parties involved, and judgment upon their decision may be entered in a court of competent jurisdiction. The prevailing party in any such arbitration shall be entitled to collect from the non-prevailing party, all costs of the arbitration, including reasonable attorneys' fees. Nothing contained herein shall limit the remedies of Owner set forth in Section 15.5 below.

15. Miscellaneous.

15.1 Force Majeure. The Company shall not be liable for failure to construct or to continue to operate the System during the term hereof due to acts of God, the failure of equipment or facilities not belonging to Company (including, but not limited to, utility service), denial of access to facilities or rights-of-way essential to serving the Premises, government order or regulation or any other circumstances beyond the reasonable control of the Company.

15.2 Assignability; Binding Effect. This Agreement may be assigned by Owner, provided the assignee shall agree in writing to be bound by all the terms and conditions hereof. In the event the Owner sells, assigns, transfers or otherwise conveys the Premises to a third party, the Owner shall give the Company prior written notice of such change of ownership or control. Owner shall cause any new owner or controlling party to expressly assume this Agreement and agree to be bound by its terms. Company may assign this Agreement without the written consent of the Owner only to an entity controlled by or under common control with or to an entity which acquires all or substantially all of the Company's assets and assumes the obligations of Company under this Agreement. This Agreement shall be binding upon the parties and their respective permitted successors and assigns.

15.3 Applicable Law. This Agreement shall be governed and construed in accordance with applicable federal laws and regulations and by the laws of the jurisdiction in which the Premises are located, without regard to its choice of law principles. Any proceeding brought by either party to enforce any arbitration award pursuant to this Agreement shall be brought in the Circuit Court for Duval or St. Johns County, respectively.

15.4 Invalidity. If any provision of this Agreement is found to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Agreement will not be affected or impaired.

15.5 Recording. The Company may record a memorandum of this Agreement, in form and content approved by Owner, in the public records of the county in which the Premises are located, as to that portion of the Premises which are (i) owned by Owner and (ii) not subject to an existing land sale agreement ("Owner's Premises") in form and content mutually agreed upon by Owner and Company. As to any portion of the Premises, other than Owner's Premises,

Owner shall provide a copy of this Agreement to Builders with notice that Company is a designated provider and that such Builder has agreed to be bound by the terms of this Agreement pursuant to its deed of conveyance or contract for sale, as applicable. In the event of partial termination of this Agreement pursuant to Section 6.3 or 13.4 hereof, the parties shall execute and deliver a modification of any recorded memorandum of agreement so as to reflect such partial termination. Notwithstanding anything in this Agreement to the contrary, Company agrees and acknowledges that if Company fails to provide Owner with a Company-signed memorandum of termination of agreement or memorandum of partial termination of this Agreement, as applicable, by no later than thirty (30) days following the expiration or earlier termination or partial termination of this Agreement, Owner will be entitled to seek injunctive or other equitable relief against Company. Prior to seeking such injunctive or other equitable relief related to Company's failure to provide Owner with a Company-signed release as required herein, Owner shall provide Company at least ten (10) days prior written notice. The prevailing party in any such injunction (or other equitable relief) proceeding shall be entitled to collect from the non-prevailing party all costs of the proceeding, including reasonable attorneys' fees. This Section 15.5 shall survive the expiration or earlier termination of this Agreement.

15.6 **Notices**. All notices, demands, requests or other communications given under this Agreement shall be in writing and be given by personal delivery, certified mail, return receipt requested, or nationally recognized overnight courier service to the address set forth below or as may subsequently in writing be requested.

If to OWNER:

SONOC COMPANY, LLC
Attention: Richard T. Ray
4314 Pablo Oaks Court
Jacksonville, Florida 32224

With copy to:

Pappas Metcalf Jenks & Miller, P.A.
Attention: M. Lynn Pappas
245 Riverside Avenue, Suite 400
Jacksonville, Florida 32202

If to COMPANY:

Comcast
Attention: VP/GM
6805 Southpoint Parkway
Jacksonville, Florida 32216

With a copy to:

Comcast Cable Communications, LLC
Attention: General Counsel
1500 Market Street
Philadelphia, PA 19102

15.7 **Entire Agreement; Amendments**. This Agreement, including Exhibits "A" and "B" constitutes the entire agreement between the parties and supersedes all prior agreements, promises and understandings, except as evidenced by separate written agreement. This Agreement shall not be modified, mended, supplemented or revised, except by a written document signed by both parties.

15.8 **Authority**. Each party represents to the other that the person signing on its behalf has the legal right and authority to execute, enter into and bind such party to the commitments and obligations set forth herein.

15.9 **No Agency or Partnership**. This Agreement is not intended to create a joint venture or partnership between or among Company or Owner and no party is authorized by this Agreement to act as agent for any other party.

15.10 **No Third Party Beneficiaries**. This contract constitutes an agreement between Company and Owner as to all provisions contained herein. Notwithstanding anything contained herein to the contrary, this Agreement is not intended nor shall it be construed to create any rights or remedies as to third parties. No party shall constitute a third party beneficiary to the terms of this Agreement.

15.11 **Further Assurances**. The parties hereto agree to execute any and all such further agreements, instruments or documents, and to take any and all such further action, as may be necessary or desirable to carry into effect the purpose and intent of this Agreement.

15.12 **Counterparts**. This Agreement may be executed in counterparts each of which shall be deemed an original, but all of which shall constitute the same instrument.

15.13 **Builder Enforcement**. Owner shall use its commercially reasonable efforts to enforce all Builder requirements as set forth in land sale agreements between Owner and Builders as referenced in Sections 1, 2.2, 3, 4 and 7 of this Agreement.

{This space left blank intentionally}

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

WITNESS/ATTEST:

LORI A. GODDARD

Scott A. Oko

OWNER:

SONOC COMPANY, LLC

By: Harry D Francis

Name: HARRY D. FRANCIS

Title: VICE PRESIDENT

ATTEST:

COMPANY:

COMCAST OF GREATER FLORIDA/GEORGIA, INC.

By:

Name: Doug McMillan

Title: Vice President

LIST OF EXHIBITS

Exhibit "A" - Premises

Exhibit "B" - Pre-wire Specifications

Exhibit "C" - Channel Agreement

Exhibit "D" - Non-Exclusive Easement

EXHIBIT "A"

The Premises

Premises Name and Address:

Name: **Nocatee Development**
Address of the Property: **Proposed Master Plan Below – Located in St Johns and Duval Counties, FL**

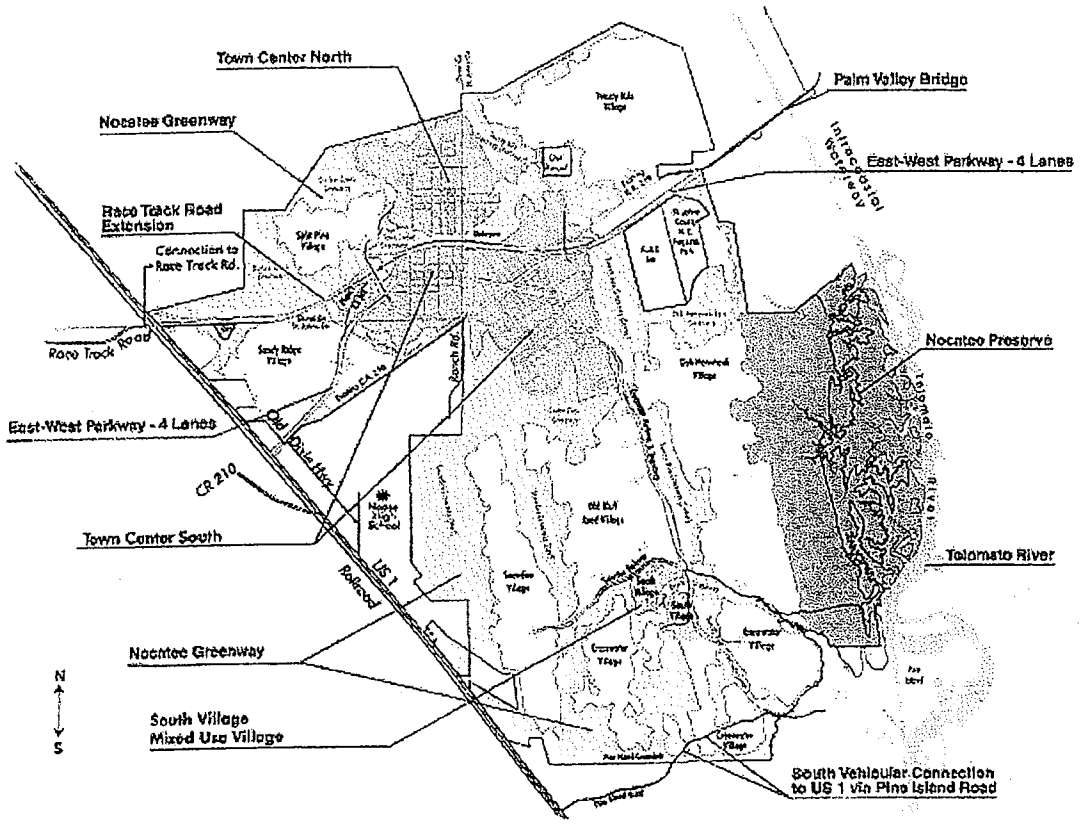


EXHIBIT "C"

Channel Agreement

CHANNEL AGREEMENT

THIS CHANNEL AGREEMENT (the "Channel Agreement") is made and entered into this ____ day of _____, 200__, by and between [INSERT NAME OF LEGAL ENTITY] (the "Company"), whose address is _____and _____(the "Owner") who owns or has control over certain real estate and improvements thereon located at (the "Premises"), consisting of ___ residential units.

WHEREAS, the Company and Owner are parties to an Installation and Services Agreement dated _____, 200__ (the "Services Agreement"); and

WHEREAS, in connection with the Services Agreement, the Company agrees to provide channel space on its cable communications system (the "System") serving the Premises which will allow Owner to provide information to residents of the Premises and/or perform certain monitoring functions as described herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, Owner and the Company hereby agree as follows:

1. The Company agrees to install the equipment which will allow the Owner to insert on __1__ channel(s) (the "Equipment") on the System a modulated video source of non-commercial origin and content (hereafter known as the "Community Channel") for the purpose of monitoring certain areas on and around the Premises and/or inserting non-commercial messages of general interest to the Residents of the Premises and for no other purpose. Video will be of a NTSC format (standard video). Audio (if used) will be non-commercial in content. Video and audio shall be technically compatible with the System.

2. The Owner will be responsible for purchasing and maintaining the Equipment and all other equipment necessary for the use and operation of Community Channel.

3. Owner shall pay to the Company within thirty (30) days of receipt of an invoice all costs associated with the installation of the Equipment and connection of the Equipment to the System.

4. The Company, in its sole discretion, shall designate the channel or channels on which the Community Channel will appear. The Company reserves the right to change such channel or channels, in its sole discretion, at any time and for any reason.

5. Owner shall not relocate, tamper with or modify any of the Company's equipment located on the Premises.

6. The Company shall not be liable to Owner, or to any other person having interest in the Premises, arising as a result of the installation of the Equipment or for damage to or failure of the Equipment or the Community Channel or for its use or operation.

7. Owner shall not use the Equipment or Community Channel for any unlawful purpose, including, but not limited to, the transmission of material in violation of any federal, state or local regulation or law including, but not limited to, material which is obscene, unlawful, defamatory, or which infringes the intellectual property rights of any person. The Company reserves the right to immediately terminate this Channel Agreement and the Community Channel in the event Owner, its agents or representatives engage in any activities in violation of this paragraph or which violates the Company's franchise agreement, any laws, rules or regulations governing the operation of the System, or any of the Company's business policies.

8. Owner agrees to indemnify, defend and hold the Company harmless from and against any and all claims and expenses (including reasonable attorney fees) resulting from the Owner's violation of this Channel Agreement, the use of or inability to use the Community Channel.

9. Nothing contained in this Channel Agreement shall be construed to create a partnership, joint venture or other agency relationship between the parties.

10. Unless earlier terminated in accordance with the terms and conditions set forth herein, this Channel Agreement shall have a term concurrent with the term of the Services Agreement.

11. This Channel Agreement shall be governed and construed in accordance with the substantive laws of the state in which the Premises are located.

12. This Channel Agreement may not be modified except by a written instrument signed by both parties.

13. If any provision of this Channel Agreement is held by a court of competent jurisdiction to be contrary to law, then the remaining provisions of this Channel Agreement shall remain in full force and effect.

14. No delay or omission by either party to exercise any right or power which it has under this Channel Agreement shall impair or be construed as a waiver of such right or power. A waiver by either party of any breach or covenant shall not be construed to be a waiver of any other breach or any other covenant. All waivers must be in writing and signed by the party waiving its rights.

15. This Channel Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements of such parties in connection herewith.

IN WITNESS WHEREOF, Owner and the Company have caused this Channel Agreement to be executed by their duly authorized representatives as of the date first written above.

WITNESS/ATTEST:

OWNER: _____

_____

By: _____

Name: _____

Title: _____

ATTEST:

[INSERT NAME OF LEGAL ENTITY]

_____

By: _____

Name: _____

Title: _____

EXHIBIT "D"

Non-Exclusive Easement

ASSIGNMENT OF EASEMENT

This **ASSIGNMENT OF EASEMENT** (the "Easement") dated this _____ day of _____, 200__ by and between **COMCAST OF GREATER FLORIDA / GEORGIA, INC.**, its successors and assigns, hereinafter referred to as "Grantee" and _____, hereinafter referred to as "Grantor".

Grantor and Grantee are parties to an Installation and Services Agreement dated _____, 200__, pursuant to which Grantee provides certain broadband communications services to the Property described below.

Grantor has reserved certain easement rights pursuant to Special Warranty Deed recorded in Official Records Book _____, Page _____ of the Public Records of _____ County, Florida (the "Deed").

In consideration of One Dollar ($1.00), Grantor(s), owner(s) of the Property described below hereby assigns to Grantee, a non-exclusive easement as reserved to Grantor pursuant to the Deed, in gross and right-of-way to construct, use, maintain, operate, alter, add to, repair, replace, reconstruct, inspect and remove any time and from time to time a broadband communications system (hereinafter referred to as the "System") consisting of wires, underground conduits, cables, pedestals, vaults, and including but not limited to above ground enclosures, markers and concrete pads or other appurtenance fixtures and equipment necessary or useful for distributing broadband services and other like communications, in, on, over, under, across and along that certain real property (the "Property") located in County of _____, State of Florida described as follows:

LEGAL DESCRIPTION:

(See Attached **Exhibit "A"**)

Grantor(s) agree for themselves and their heirs and assigns that the System on the Property shall be and remain the personal property of the Grantee and may not be altered, obstructed or removed without the express written consent of the Grantee. The Grantee, and its contractors, agents and employees, shall have the right to trim or cut trees and/or roots which may endanger or interfere with said System and shall have free access to said System and every part thereof, at all times for the purpose of exercising the rights herein granted: provided, however, that in making any excavation on said Property of the Grantor, the Grantee shall make the same in such manner as will cause the least injury to the surface of the ground around such excavation, and shall, at its expense, replace the earth so removed by it and restore the area to as near the same condition as it was prior to such excavation as is practical.

THIS EASEMENT shall run with the land for so long as Grantee, its successors or assigns provides broadband service to the Property.

Executed this ___ day of _____, 200__.

WITNESS/ATTEST:

OWNER:

_____

_____

By: _____

_____

Name: _____

Title: _____

ATTEST:

COMCAST OF GREATER FLORIDA/GEORGIA, INC.

_____

_____

By: _____

Name: Doug McMillan

Title: Vice President / General Manager

STATE OF _____)

) ss

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____day of _____, 200__ by _____, of (Print Name) _____, on behalf of the corporation. He/she is (personally known to me) or (has presented _____ type of identification) as identification and did/did not take an oath.

Witness my hand and official seal.

_____ Notary Public
(Print Name)

My commission expires: _____

STATE OF _____)

) ss

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____day of _____, 200__ by **Doug McMillan**, Vice President/General Manager of **Comcast of Greater Florida / Georgia, Inc.**, on behalf of the corporation. He/She is personally known to me and did not take an oath.

Witness my hand and official seal.

_____ Notary Public
(Print Name)

My commission expires: _____

EXHIBIT "A"

Property
Legal Description

MARKETING SUPPORT ADDENDUM

THIS MARKETING SUPPORT ADDENDUM (the "Marketing Support Addendum") is made and entered into this 5 day of JUNE, 2006 by and between **COMCAST OF GREATER FLORIDA / GEORGIA, INC.** (the "Company"), whose address is 6805 Southpoint Parkway, Jacksonville, Florida 32216 and **SONOC COMPANY, LLC** (the "Owner") who owns or has certain control over real estate and improvements thereon located in St. Johns and Duval Counties, Florida known as Nocatee (the "Premises"), which is approved for the development of up to 14,920 units. This Marketing Support Addendum supplements that certain Installation and Services Agreement dated JUNE 5, 2006 by and between Owner and the Company (the "Agreement"). All undefined terms used herein shall have the same meaning ascribed to them in the Agreement.

1. **Definitions**

A. **Effective Date**. The term "Effective Date" means the date on which the Company commences delivery of the Services to the Premises.

B. **Marketing Support**. The term "Marketing Support" shall include, but not be limited to:

- Notifying residents and prospective residents of availability of the Services.
- Presenting the Company's marketing materials to existing and prospective residents during sales presentations and at real estate closings and to existing residents who are not subscribers to the Company's Services. (Marketing materials may include, at the Company's discretion, brochures, channel lineups, door hangers, Service descriptions, and information regarding prices and special offers. The Company shall provide all marketing materials.)
- Displaying and maintaining model home/sales center materials provided by Company.
- Coordinating Builder's construction activities with Company's Construction Department as necessary to aid Company so that it is able to design and construct its system and provide Service to customers in accordance with the Agreement.
- Provide to Company on a monthly basis the new addresses of new residents prior to their move in date and provide Company marketing materials at each residential unit.
- Providing access to activate cable Service in new residential units prior to the resident's move-in date.
- Company sales materials and contact information shall be presented to purchasers upon acceptance of the purchase and sales agreement by parcel developer.

C. **Penetration Level**. The term "Penetration Level" for voice, video or data Services, individually, means the percentage figure derived by dividing the total number of residential units subscribing to (i) Basic Service as to video; (ii) Basic Service as to voice; or (iii)

Basic Service as to data at the Premises, in each case by the total number of residential units at the Premises.

D. **Service Revenue**. The term "Service Revenue" means the revenue from Basic 1, Basic 2 and Expanded Cable, Comcast High Speed Internet and Comcast Digital Voice ("Comcast Service") delivered to residents at the Premises in accordance with the terms of the Agreement, determined in accordance with generally accepted accounting principles, exclusive of taxes, fees and other charges imposed by any governmental authority.

2. **Marketing Support Fee**.

2.1 In exchange for Owner's execution and delivery of the Agreement and the Owner's exclusive Marketing Support for the Company's Services delivered to the Premises during the term of the Agreement, the Company agrees to pay Owner a percentage of up to [redacted] of all recurring revenues paid by subscribers within the Premises to the Company for Voice, Data and Video Services made available today and in the future, in accordance with the provisions of **Exhibit "A"** attached hereto and made a part hereof (the "Marketing Support Fee"). The Marketing Support Fee shall not include non-recurring revenue, including but not limited to pay per view charges, installation fees, transfer fees, service call fees, re-start fees, equipment rental and deposits. Payments of the Marketing Support Fee will be made to Owner by Company within forty-five (45) days following the end of each calendar quarter commencing on the date provided above, accompanied by Company's certification of the amount of recurring revenues and Penetration Level applicable to each of the Services for such calendar quarter. Any Marketing Support Fees not paid when due shall bear interest at twelve percent (12%) per annum from the due date until paid. Owner shall have the right during reasonable business hours to audit the books and records of Company as to the Penetration Levels and recurring revenues.

2.2 In the event of partial termination of the Agreement pursuant to Section 6.3 or 13.4 thereof, the Company's obligation to pay the Marketing Support Fee shall terminate and the Owner shall have no obligations for Marketing Support under this Agreement or the Agreement.

3. **Audit**. Upon reasonable prior written notice, during normal business hours, at Company's business office at a time and date mutually agreed upon, Owner shall have the right at its own cost and expense to review the Company records used to calculate the Marketing Support Fee payments; provided however, that any such review shall take place within twelve (12) months from the date Owner receives such payment, after which period such payment shall be considered final.

3.1 Upon the completion of any such review by Owner, Owner shall provide to Company a final report, which sets forth Owner's findings in detail, including any and all substantiating documentation. Company shall have thirty (30) days from the receipt of the report to provide Owner with a written response, including any substantiating documentation.

3.2 In the event of an underpayment, the amount due Owner as a result of such a review shall be paid within forty-five (45) days of a receipt of an invoice, unless Company

contests such amount in good faith. In the event of an overpayment, the amount due Company shall be paid within forty five (45) days of completion of the audit.

3.3 Owner acknowledges by the Company paying the underpayment due, if any, the Company does not admit liability whatsoever to any person, including Owner, and that said payment is offered and accepted as complete settlement and compromise of all claims which are or could be asserted by the Owner or by any other person in connection therewith against Company, its parents, subsidiaries, affiliates, agents, officers, directors and employees.

3.4 In connection with such review, Company may disclose to Owner certain information, which is confidential or proprietary. All information, documents, records and data about Company and its affiliates provided to Owner or any of the Representatives during the audit of the Marketing Support Fee payments is referred to herein as "Confidential Information." Confidential Information does not include, however, information which (a) is or becomes generally available to the public other than as a result of a disclosure by Owner or any of its Representatives, (b) was available to Owner on a non-confidential basis prior to its disclosure to Owner by the Company or any of its Representatives, or (c) becomes available to Owner on a non-confidential basis from a third party who is not known by Owner to be bound by a confidentiality agreement with Company or any of its affiliates or who is otherwise not prohibited from transmitting the information to Owner. The term "Representative" means, as to any person, such person's affiliates and its and their employees, agents, financial advisors, counsel, and accountants.

3.5 Owner agrees that the Confidential Information shall not, without the prior written consent of Company, be disclosed by Owner or its Representatives in any manner whatsoever, in whole or in part, and shall not be used by Owner or its Representatives other than in connection with the audit of Marketing Support Fee payments. Owner agrees to reveal the Confidential Information only to its Representatives who need to know the Confidential Information for the purpose of evaluating such possible transaction, who are informed by Owner of the confidential nature of the Confidential Information and who agree to act in accordance with the terms and conditions of this Section. Owner shall be responsible for any breach of this Section by its Representatives.

3.6 Owner understands and agrees that no failure or delay by Company in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise of any right, power or privilege hereunder.

3.7 Owner further acknowledges that remedies at law may be inadequate to protect against breach of this Section, and it hereby in advance agrees to the granting of injunctive relief in the Company's favor. Such relief shall not be deemed to be the exclusive relief for a breach of this Section but shall be in addition to all other remedies available at law or equity.

THIS MARKETING SUPPORT ADDENDUM supplements the Agreement. The terms and conditions of the Agreement shall remain in full force and effect, except as modified by this Marketing Support Addendum.

{ This space left blank intentionally }

IN WITNESS WHEREOF, the Parties have caused this Marketing Support Addendum to be executed by their duly authorized representatives as of the date first written above.

WITNESS/ATTEST:

LORI A. GODDARD

OWNER:

By: Harry D. Francis

Name: HARRY D. FRANCIS

Title: VICE PRESIDENT

ATTEST:

COMCAST OF GREATER FLORIDA / GEORGIA, INC.

By:

Name: DOUG McMillan

Title: Vice President

000304

EXHIBIT "A"

Marketing Support Fee

Penetration Level *	Marketing Support Fee
[redacted]	[redacted]

* To be applied independently as to Comcast Services for voice, video or data Services and to be rounded up or down to the next whole percentage.

COMPENSATION AGREEMENT

THIS COMPENSATION AGREEMENT is made and entered into this 2 day of JUNE, 2006, by and between **COMCAST OF GREATER FLORIDA / GEORGIA, INC.** (the "Company"), with offices at 6805 Southpoint Parkway, Jacksonville, Florida 32216, and **SONOC COMPANY, LLC** (the "Owner"), with offices at 4310 Pablo Oaks Court, Jacksonville, Florida 32224, who owns or has control over certain real estate and improvements thereon located in St. Johns and Duval Counties, Florida, pursuant to Development of Regional Impact Order for Nocatee (the "Premises") which, when fully constructed, is approved for approximately 14,920 units.

WHEREAS, the Company and Owner desire to enter into an Installation and Services Agreement ("Installation Agreement") pursuant to which the Company will provide broadband communications services to the Premises, including, but not limited to, cable television service, on an exclusive basis to the extent provided in the Installation Agreement; and

WHEREAS, in exchange for such exclusive rights as set forth in the Installation Agreement, the Company will pay a per unit fee as set forth herein.

NOW, THEREFORE, for good and valuable consideration, the parties, intending to be legally bound, agree as follows:

1) As consideration for Owner entering into a fifteen (15) year Installation Agreement with the Company, the Company agrees to pay Owner a per unit fee of [redacted] for each residential unit within the Premises as to which a Certificate of Occupancy or equivalent certification has been issued (the "Per Unit Compensation") payable on a calendar quarterly basis within thirty (30) days of the close of each calendar quarter for the prior quarter and upon receipt by the Company of (i) an invoice identifying the number of residential units constructed and a Certificate of Occupancy (or equivalent certification issued) for each residential unit during such prior quarter; and (ii) a certificate executed by an officer of the Owner certifying that (a) the percentage of residential units within the Premises as of the date of Certificate of Occupancy or equivalent certification which have direct access to publicly dedicated rights of way, or can otherwise be legally serviced by competitors of Company for data or video services (exclusive of satellite services) ("Public Easement Areas") is equal to or less than sixty-five percent (65%) of the total number of residential units for which Certificates of Occupancy or equivalent certification have been issued to date in the Premises on a cumulative basis (the "Required Percentage"); (b) from and after five (5) years from the date hereof (as to certifications delivered thereafter), a total of 3,200 residential units have been approved for development or are under construction within the Premises in areas other than Public Easement Areas (the "Unit Approvals"); and (c) the percentage of residential units declared to condominium pursuant to Chapter 718, Florida Statutes

("Condominium Units") within the areas of the Premises other than Public Easement Areas for which Certificates of Occupancy or equivalent certification has been issued is equal to or less than five percent (5%) of the total number of residential units for which Certificates of Occupancy or equivalent certification have been issued within the areas of the Premises other than Public Easement Areas (the "Condominium Percentage"). If at any time Owner is unable to certify that the Required Percentage has been maintained in any calendar quarter, the Per Unit Compensation shall be suspended for that calendar quarter as to the number of such residential units which cause the Required Percentage not to be maintained. If after the sixth anniversary date of this Compensation Agreement, Owner is unable to certify that the Unit Approvals have been obtained, the Per Unit Compensation shall be suspended for that calendar quarter. If at any time Owner is unable to certify that the Condominium Percentage has not been maintained, the Per Unit Compensation for that calendar quarter shall be suspended as to Condominium Units for that calendar quarter. In each case, when the certification as to the Required Percentage, Unit Approvals or Condominium Percentage is thereafter achieved in any calendar quarter, the applicable Per Unit Compensation shall be reinstated. Any Per Unit Compensation which would have been owed during a suspension period shall be waived by Owner.

2) Owner's right to receive the Per Unit Compensation described herein shall terminate upon partial termination of the Installation Agreement pursuant to Section 6.3 or Section 13.4 thereof.

3) Owner represents, warrants and covenants to the Company that:

a) Owner is, validly existing and in good standing under the laws of the jurisdiction in which it is organized.

b) Owner has full authority to enter into this Compensation Agreement and to perform its obligations hereunder.

4) In the event either party defaults in the performance of this Compensation Agreement, the non-defaulting party shall give the defaulting party written notice specifying the nature of such default and identifying the specific provision in this Compensation Agreement which gives rise to the default. The defaulting party shall have fifteen (15) days to either (i) notify the non-defaulting party that no default occurred; (ii) cure the default; or (iii) if such default is other than payment of the Per Unit Compensation and is incapable of cure within such fifteen (15) day period, commence curing the default within such fifteen (15) day period and diligently pursue such cure to completion within thirty (30) days. In the event the default is not cured within the time frames specified in the preceding sentence, the non-defaulting party may terminate this Compensation Agreement. Any Per Unit Compensation not paid when due shall bear interest at twelve percent (12%) per annum from the due date until paid.

5) This Compensation Agreement may not be assigned by either party, without the prior written consent of the non-assigning party, except this Compensation Agreement may be assigned by Owner to any successor "Master Developer" of Nocatee.

6) This Compensation Agreement shall be governed and construed in accordance with the laws of the jurisdiction in which the Premises are located.

7) All disputes under this Compensation Agreement shall be submitted to, and settled by arbitration in accordance with the rules of the American Arbitration Association. The parties shall appoint a mutually agreeable arbitrator reasonably familiar with multi-channel video program distribution systems and services. In the event the parties are unable to agree to a single arbitrator, the dispute shall be submitted to a panel of three (3) arbitrators, one of which shall be reasonably familiar with multi-channel video program distribution systems and services. Each party shall appoint an arbitrator and the two arbitrators so appointed shall then select a third arbitrator. The arbitrators shall apply applicable federal laws and regulations and the laws of the jurisdiction in which the Premises is located, without regard to its choice of law principles. The decision of the arbitrators shall be binding and conclusive on all parties involved, and judgment upon their decision may be entered in a court of competent jurisdiction. The prevailing party in any such arbitration shall be entitled to collect from the non-prevailing party, all costs of the arbitration, including reasonable attorneys' fees.

8) This Compensation Agreement is not intended to create a joint venture or partnership between or among Owner or Comcast of Greater Florida / Georgia, Inc. and no party is authorized by this Compensation Agreement to act as agent for any other party.

9) This contract constitutes an agreement between Company and Owner as to all provisions contained herein. Notwithstanding anything contained herein to the contrary, this Compensation Agreement is not intended nor shall it be construed to create any rights or remedies as to third parties. No party shall constitute a third party beneficiary to the terms of this Compensation Agreement.

10) Any notice, request, instruction or other document deemed by any party hereunder to be necessary or desirable to be given to any other party shall be in writing and shall be conclusively deemed given if mailed by registered mail or certified mail, postage prepaid, with return receipt requested, addressed as follows:

If to COMPANY:

Comcast
Attention: Mr. Chris Parker
6805 Southpoint Parkway
Jacksonville, Florida 32216

With a copy to:

Comcast Cable Communications, LLC
Attention: General Counsel
1500 Market Street
Philadelphia, PA 19102

If to OWNER:

SONOC COMPANY, LLC
Attention: Richard T. Ray
4314 Pablo Oaks Court
Jacksonville, Florida 32224

With copy to:

Pappas Metcalf Jenks & Miller, P.A.
Attention: M. Lynn Pappas
245 Riverside Avenue, Suite 400
Jacksonville, Florida 32202

11) This Compensation Agreement (including the other documents contemplated by this Compensation Agreement) represents the entire agreement among the parties relating to the subject matter hereof, and supersedes all prior agreements relating to the subject matter hereof.

12) The parties hereto agree to execute any and all such further agreements, instruments or documents, and to take any and all such further action, as may be necessary or desirable to carry into effect the purpose and intent of this Compensation Agreement.

13) This Compensation Agreement may be executed in counterparts each of which shall be deemed an original, but all of which shall constitute the same instrument.

14) Owner represents to Company that as of the date of execution of this Compensation Agreement, not less than 3,072 residential units have (i) been approved for development pursuant to master development plans approved by St. Johns County; or (ii) commenced construction within the areas of the Premises, other than Public Easement Areas.

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IN WITNESS WHEREOF, the Parties have caused this Compensation Agreement to be executed by their duly authorized representatives as of the date first written above.

WITNESS/ATTEST:

LORI A. GODDARD

SONOC COMPANY, LLC

By: _____

Name: HARRY D. FRANCIS

Title: VICE PRESIDENT

ATTEST:

COMCAST OF GREATER FLORIDA / GEORGIA, INC.

By: _____

Name: Doug McMillan

Title: Vice President/General Manager

M C
& S
MESSER CAPARELLO & SELF, P.A.
Attorneys At Law
www.lawfla.com

2007 JUN 28 AM 11:31
DIVISION OF
COMPETITIVE SERVICES

June 27, 2007

BY ELECTRONIC FILING
Ms. Ann Cole, Director
Commission Clerk and Administrative Services
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket No. 060822-TL

Dear Ms. Cole:

Enclosed for filing on behalf of Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc. ("Nocatee") is Nocatee's Notice of Service of its Responses to FPSC Staff's First Request for Production of Documents (Nos. 1-4)

Thank you for your assistance with this filing.

Sincerely,

Floyd R. Self

FRS/amb
Enclosure
cc: Lynn Pappas, Esq.
Parties of Record

000311

Regional Center Office Park / 2618 Centennial Place / Tallahassee, Florida 32308
Mailing Address: P.O. Box 15579 / Tallahassee, Florida 32317
Main Telephone: (850) 222-0720 / *Fax:* (850) 224-4359

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of BellSouth Telecommunications, Inc. for Relief from Carrier-of-Last-Resort Obligations Pursuant to Florida Statutes §364.025(6)(d).	DOCKET NO. 060822-TL DATE FILED: June 27, 2007

NOCATEE DEVELOPMENT COMPANY, SONOC COMPANY, LLC, TOLL JACKSONVILLE LIMITED PARTNERSHIP, PULTE HOME CORPORATION AND PARC GROUP, INC.'S NOTICE OF SERVICE OF RESPONSES TO FPSC STAFFF'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 1 - 4)

Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc. ("Nocatee") by and through its undersigned counsel, hereby files and serves Notice that it has served its Responses to FPSC Staff's First Request for Production of Documents (Nos. 1 - 4) by hand delivery on H. F. Mann, Esq., Office of General Counsel, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850 on this 27th day of June, 2006.

FLOYD R. SELF
MESSER, CAPARELLO & SELF, P. A.
Post Office Box 15579
Tallahassee, FL 32317
(850) 222-0720

Attorneys for Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served on the following parties by Hand Delivery (*) and/or U.S. Mail this 27th day of June, 2007.

H. F. Mann, Esq.*
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Patrick Wiggins, Esq.
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Mr. Dale Buys
Division of Competitive Markets and
Enforcement
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

James Meza III
Michael Gurdian
Tracy Hatch
c/o Nancy H. Sims
AT&T Florida
150 South Monroe Street, Suite 400
Tallahassee, FL 32301

E. Earl Edenfield
AT&T Southeast
675 West Peachtree Street, Suite 54300
Atlanta, GA 30375

Floyd R. Self

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition of BellSouth Telecommunications, Inc. for Relief from Carrier-of-Last-Resort Obligations Pursuant to Florida Statutes §364.025(6)(d).	DOCKET NO. 060822-TL

NOCATEE DEVELOPMENT COMPANY, SONOC COMPANY, LLC, TOLL JACKSONVILLE LIMITED PARTNERSHIP, PULTE HOME CORPORATION AND PARC GROUP, INC.'S RESPONSES TO FPSC STAFF'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 1 – 4)

COMES NOW, Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc. ("Nocatee") and in response to FPSC Staff's First Request for Production of Documents (Nos. 1 - 4) states as follows:

REQUESTS FOR PRODUCTION OF DOCUMENTS

1. Please provide a copy of all contracts between Comcast and Nocatee Development Company/SONOC Company, LLC, that relate to Comcast's provision of voice, data or video services for the Riverwood and Coastal Oaks subdivisions in Nocatee.

NOCATEE'S RESPONSE: Documents responsive to this request have been provided to Staff February 14, 2007 and February 28, 2007, and are in the possession of Staff. Those documents which are confidential are in the possession of the Commission Clerk.

2. Please provide a copy of all contracts between Comcast and Nocatee Development Company/SONOC Company, LLC, that relate to exclusive marketing arrangements with Comcast for voice, data or video services within all communities in Nocatee, including the Riverwood and Coastal Oaks subdivisions.

NOCATEE'S RESPONSE: See response to Request No. 1.

M | C
& | S
MESSER CAPARELLO & SELF, P.A.
Attorneys At Law
www.lawfla.com

2007 JUN 28 AM 11:31
DIVISION OF
COMPETITIVE SERVICES

June 27, 2007

BY ELECTRONIC FILING
Ms. Ann Cole, Director
Commission Clerk and Administrative Services
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket No. 060822-TL

Dear Ms. Cole:

Enclosed for filing on behalf of Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc. ("Nocatee") is Nocatee's Notice of Service of its Responses to FPSC Staff's First Request for Production of Documents (Nos. 1-4)

Thank you for your assistance with this filing.

Sincerely,

Floyd R. Self

FRS/amb
Enclosure
cc: Lynn Pappas, Esq.
Parties of Record

000315

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of BellSouth Telecommunications, Inc. for Relief from Carrier-of-Last-Resort Obligations Pursuant to Florida Statutes §364.025(6)(d).	DOCKET NO. 060822-TL DATE FILED: June 27, 2007

NOCATEE DEVELOPMENT COMPANY, SONOC COMPANY, LLC, TOLL JACKSONVILLE LIMITED PARTNERSHIP, PULTE HOME CORPORATION AND PARC GROUP, INC.'S NOTICE OF SERVICE OF RESPONSES TO FPSC STAFFF'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 1 - 4)

Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc. ("Nocatee") by and through its undersigned counsel, hereby files and serves Notice that it has served its Responses to FPSC Staff's First Request for Production of Documents (Nos. 1 - 4) by hand delivery on H. F. Mann, Esq., Office of General Counsel, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850 on this 27th day of June, 2006.

FLOYD R. SELF
MESSER, CAPARELLO & SELF, P. A.
Post Office Box 15579
Tallahassee, FL 32317
(850) 222-0720

Attorneys for Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served on the following parties by Hand Delivery (*) and/or U.S. Mail this 27th day of June, 2007.

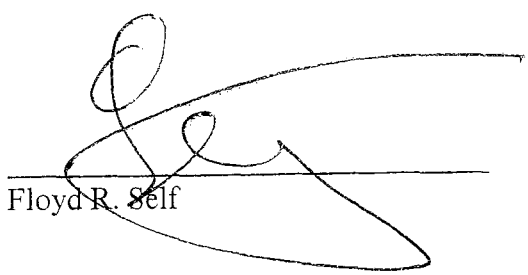
H. F. Mann, Esq.*
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Patrick Wiggins, Esq.
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Mr. Dale Buys
Division of Competitive Markets and
Enforcement
Florida Public Service Commission
2540 Shumard Oak Blvd.
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James Meza III
Michael Gurdian
Tracy Hatch
c/o Nancy H. Sims
AT&T Florida
150 South Monroe Street, Suite 400
Tallahassee, FL 32301

E. Earl Edenfield
AT&T Southeast
675 West Peachtree Street, Suite 54300
Atlanta, GA 30375



Floyd R. Self

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition of BellSouth Telecommunications, Inc. for Relief from Carrier-of-Last-Resort Obligations Pursuant to Florida Statutes §364.025(6)(d).	DOCKET NO. 060822-TL

NOCATEE DEVELOPMENT COMPANY, SONOC COMPANY, LLC, TOLL JACKSONVILLE LIMITED PARTNERSHIP, PULTE HOME CORPORATION AND PARC GROUP, INC.'S RESPONSES TO FPSC STAFF'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 1 – 4)

COMES NOW, Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc. ("Nocatee") and in response to FPSC Staff's First Request for Production of Documents (Nos. 1 - 4) states as follows:

REQUESTS FOR PRODUCTION OF DOCUMENTS

1. Please provide a copy of all contracts between Comcast and Nocatee Development Company/SONOC Company, LLC, that relate to Comcast's provision of voice, data or video services for the Riverwood and Coastal Oaks subdivisions in Nocatee.

NOCATEE'S RESPONSE: Documents responsive to this request have been provided to Staff February 14, 2007 and February 28, 2007, and are in the possession of Staff. Those documents which are confidential are in the possession of the Commission Clerk.

2. Please provide a copy of all contracts between Comcast and Nocatee Development Company/SONOC Company, LLC, that relate to exclusive marketing arrangements with Comcast for voice, data or video services within all communities in Nocatee, including the Riverwood and Coastal Oaks subdivisions.

NOCATEE'S RESPONSE: See response to Request No. 1.

3. Please provide a sample of all marketing materials and sales brochures used in the marketing and sales of the residential properties located in the Riverwood and Coastal Oaks subdivisions in Nocatee.

NOCATEE'S RESPONSE: Nocatee Development has not documents response to this request but samples of marketing materials and sales brochures used by developers in the respective areas are attached.

4. Please provide any documents that describe and list the selling prices of the residential homes that will be constructed in Riverwood and Coastal Oaks.

NOCATEE'S RESPONSE: See response to Request No. 3.

Respectfully submitted this 27th day of June, 2007.

Floyd R. Self
Messer, Caparello & Self, P.A.
P.O. Box 15579
Tallahassee, FL 32317
(850) 222-0720

Attorneys for Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc.

COMPENSATION AGREEMENT

THIS COMPENSATION AGREEMENT is made and entered into this 2 day of JUNE, 2006, by and between **COMCAST OF GREATER FLORIDA / GEORGIA, INC.** (the "Company"), with offices at 6805 Southpoint Parkway, Jacksonville, Florida 32216, and **SONOC COMPANY, LLC** (the "Owner"), with offices at 4310 Pablo Oaks Court, Jacksonville, Florida 32224, who owns or has control over certain real estate and improvements thereon located in St. Johns and Duval Counties, Florida, pursuant to Development of Regional Impact Order for Nocatee (the "Premises") which, when fully constructed, is approved for approximately 14,920 units.

WHEREAS, the Company and Owner desire to enter into an Installation and Services Agreement ("Installation Agreement") pursuant to which the Company will provide broadband communications services to the Premises, including, but not limited to, cable television service, on an exclusive basis to the extent provided in the Installation Agreement; and

WHEREAS, in exchange for such exclusive rights as set forth in the Installation Agreement, the Company will pay a per unit fee as set forth herein.

NOW, THEREFORE, for good and valuable consideration, the parties, intending to be legally bound, agree as follows:

1) As consideration for Owner entering into a fifteen (15) year Installation Agreement with the Company, the Company agrees to pay Owner a per unit fee of [redacted] for each residential unit within the Premises as to which a Certificate of Occupancy or equivalent certification has been issued (the "Per Unit Compensation") payable on a calendar quarterly basis within thirty (30) days of the close of each calendar quarter for the prior quarter and upon receipt by the Company of (i) an invoice identifying the number of residential units constructed and a Certificate of Occupancy (or equivalent certification issued) for each residential unit during such prior quarter; and (ii) a certificate executed by an officer of the Owner certifying that (a) the percentage of residential units within the Premises as of the date of Certificate of Occupancy or equivalent certification which have direct access to publicly dedicated rights of way, or can otherwise be legally serviced by competitors of Company for data or video services (exclusive of satellite services) ("Public Easement Areas") is equal to or less than sixty-five percent (65%) of the total number of residential units for which Certificates of Occupancy or equivalent certification have been issued to date in the Premises on a cumulative basis (the "Required Percentage"); (b) from and after five (5) years from the date hereof (as to certifications delivered thereafter), a total of 3,200 residential units have been approved for development or are under construction within the Premises in areas other than Public Easement Areas (the "Unit Approvals"); and (c) the percentage of residential units declared to condominium pursuant to Chapter 718, Florida Statutes

("Condominium Units") within the areas of the Premises other than Public Easement Areas for which Certificates of Occupancy or equivalent certification has been issued is equal to or less than five percent (5%) of the total number of residential units for which Certificates of Occupancy or equivalent certification have been issued within the areas of the Premises other than Public Easement Areas (the "Condominium Percentage"). If at any time Owner is unable to certify that the Required Percentage has been maintained in any calendar quarter, the Per Unit Compensation shall be suspended for that calendar quarter as to the number of such residential units which cause the Required Percentage not to be maintained. If after the sixth anniversary date of this Compensation Agreement, Owner is unable to certify that the Unit Approvals have been obtained, the Per Unit Compensation shall be suspended for that calendar quarter. If at any time Owner is unable to certify that the Condominium Percentage has not been maintained, the Per Unit Compensation for that calendar quarter shall be suspended as to Condominium Units for that calendar quarter. In each case, when the certification as to the Required Percentage, Unit Approvals or Condominium Percentage is thereafter achieved in any calendar quarter, the applicable Per Unit Compensation shall be reinstated. Any Per Unit Compensation which would have been owed during a suspension period shall be waived by Owner.

2) Owner's right to receive the Per Unit Compensation described herein shall terminate upon partial termination of the Installation Agreement pursuant to Section 6.3 or Section 13.4 thereof.

3) Owner represents, warrants and covenants to the Company that:

a) Owner is, validly existing and in good standing under the laws of the jurisdiction in which it is organized.

b) Owner has full authority to enter into this Compensation Agreement and to perform its obligations hereunder.

4) In the event either party defaults in the performance of this Compensation Agreement, the non-defaulting party shall give the defaulting party written notice specifying the nature of such default and identifying the specific provision in this Compensation Agreement which gives rise to the default. The defaulting party shall have fifteen (15) days to either (i) notify the non-defaulting party that no default occurred; (ii) cure the default; or (iii) if such default is other than payment of the Per Unit Compensation and is incapable of cure within such fifteen (15) day period, commence curing the default within such fifteen (15) day period and diligently pursue such cure to completion within thirty (30) days. In the event the default is not cured within the time frames specified in the preceding sentence, the non-defaulting party may terminate this Compensation Agreement. Any Per Unit Compensation not paid when due shall bear interest at twelve percent (12%) per annum from the due date until paid.

5) This Compensation Agreement may not be assigned by either party, without the prior written consent of the non-assigning party, except this Compensation Agreement may be assigned by Owner to any successor "Master Developer" of Nocatee.

6) This Compensation Agreement shall be governed and construed in accordance with the laws of the jurisdiction in which the Premises are located.

7) All disputes under this Compensation Agreement shall be submitted to, and settled by arbitration in accordance with the rules of the American Arbitration Association. The parties shall appoint a mutually agreeable arbitrator reasonably familiar with multi-channel video program distribution systems and services. In the event the parties are unable to agree to a single arbitrator, the dispute shall be submitted to a panel of three (3) arbitrators, one of which shall be reasonably familiar with multi-channel video program distribution systems and services. Each party shall appoint an arbitrator and the two arbitrators so appointed shall then select a third arbitrator. The arbitrators shall apply applicable federal laws and regulations and the laws of the jurisdiction in which the Premises is located, without regard to its choice of law principles. The decision of the arbitrators shall be binding and conclusive on all parties involved, and judgment upon their decision may be entered in a court of competent jurisdiction. The prevailing party in any such arbitration shall be entitled to collect from the non-prevailing party, all costs of the arbitration, including reasonable attorneys' fees.

8) This Compensation Agreement is not intended to create a joint venture or partnership between or among Owner or Comcast of Greater Florida / Georgia, Inc. and no party is authorized by this Compensation Agreement to act as agent for any other party.

9) This contract constitutes an agreement between Company and Owner as to all provisions contained herein. Notwithstanding anything contained herein to the contrary, this Compensation Agreement is not intended nor shall it be construed to create any rights or remedies as to third parties. No party shall constitute a third party beneficiary to the terms of this Compensation Agreement.

10) Any notice, request, instruction or other document deemed by any party hereunder to be necessary or desirable to be given to any other party shall be in writing and shall be conclusively deemed given if mailed by registered mail or certified mail, postage prepaid, with return receipt requested, addressed as follows:

If to COMPANY:

Comcast
Attention: Mr. Chris Parker
6805 Southpoint Parkway
Jacksonville, Florida 32216

With a copy to:

Comcast Cable Communications, LLC
Attention: General Counsel
1500 Market Street
Philadelphia, PA 19102

If to OWNER:

SONOC COMPANY, LLC
Attention: Richard T. Ray
4314 Pablo Oaks Court
Jacksonville, Florida 32224

With copy to:

Pappas Metcalf Jenks & Miller, P.A.
Attention: M. Lynn Pappas
245 Riverside Avenue, Suite 400
Jacksonville, Florida 32202

11) This Compensation Agreement (including the other documents contemplated by this Compensation Agreement) represents the entire agreement among the parties relating to the subject matter hereof, and supersedes all prior agreements relating to the subject matter hereof.

12) The parties hereto agree to execute any and all such further agreements, instruments or documents, and to take any and all such further action, as may be necessary or desirable to carry into effect the purpose and intent of this Compensation Agreement.

13) This Compensation Agreement may be executed in counterparts each of which shall be deemed an original, but all of which shall constitute the same instrument.

14) Owner represents to Company that as of the date of execution of this Compensation Agreement, not less than 3,072 residential units have (i) been approved for development pursuant to master development plans approved by St. Johns County; or (ii) commenced construction within the areas of the Premises, other than Public Easement Areas.

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IN WITNESS WHEREOF, the Parties have caused this Compensation Agreement to be executed by their duly authorized representatives as of the date first written above.

WITNESS/ATTEST:

LORI A. GODDARD

SONOC COMPANY, LLC

By: _____

Name: HARRY D. FRANCIS

Title: VICE PRESIDENT

ATTEST:

COMCAST OF GREATER FLORIDA / GEORGIA, INC.

By: _____

Name: Doug McMillan

Title: Vice President/General Manager

MARKETING SUPPORT ADDENDUM

THIS MARKETING SUPPORT ADDENDUM (the "Marketing Support Addendum") is made and entered into this 5 day of JUNE, 2006 by and between **COMCAST OF GREATER FLORIDA / GEORGIA, INC.** (the "Company"), whose address is 6805 Southpoint Parkway, Jacksonville, Florida 32216 and **SONOC COMPANY, LLC** (the "Owner") who owns or has certain control over real estate and improvements thereon located in St. Johns and Duval Counties, Florida known as Nocatee (the "Premises"), which is approved for the development of up to 14,920 units. This Marketing Support Addendum supplements that certain Installation and Services Agreement dated JUNE 5, 2006 by and between Owner and the Company (the "Agreement"). All undefined terms used herein shall have the same meaning ascribed to them in the Agreement.

1. **Definitions**

A. **Effective Date**. The term "Effective Date" means the date on which the Company commences delivery of the Services to the Premises.

B. **Marketing Support**. The term "Marketing Support" shall include, but not be limited to:

- Notifying residents and prospective residents of availability of the Services.
- Presenting the Company's marketing materials to existing and prospective residents during sales presentations and at real estate closings and to existing residents who are not subscribers to the Company's Services. (Marketing materials may include, at the Company's discretion, brochures, channel lineups, door hangers, Service descriptions, and information regarding prices and special offers. The Company shall provide all marketing materials.)
- Displaying and maintaining model home/sales center materials provided by Company.
- Coordinating Builder's construction activities with Company's Construction Department as necessary to aid Company so that it is able to design and construct its system and provide Service to customers in accordance with the Agreement.
- Provide to Company on a monthly basis the new addresses of new residents prior to their move in date and provide Company marketing materials at each residential unit.
- Providing access to activate cable Service in new residential units prior to the resident's move-in date.
- Company sales materials and contact information shall be presented to purchasers upon acceptance of the purchase and sales agreement by parcel developer.

C. **Penetration Level**. The term "Penetration Level" for voice, video or data Services, individually, means the percentage figure derived by dividing the total number of residential units subscribing to (i) Basic Service as to video; (ii) Basic Service as to voice; or (iii)

Basic Service as to data at the Premises, in each case by the total number of residential units at the Premises.

D. **Service Revenue**. The term "Service Revenue" means the revenue from Basic 1, Basic 2 and Expanded Cable, Comcast High Speed Internet and Comcast Digital Voice ("Comcast Service") delivered to residents at the Premises in accordance with the terms of the Agreement, determined in accordance with generally accepted accounting principles, exclusive of taxes, fees and other charges imposed by any governmental authority.

2. **Marketing Support Fee**.

2.1 In exchange for Owner's execution and delivery of the Agreement and the Owner's exclusive Marketing Support for the Company's Services delivered to the Premises during the term of the Agreement, the Company agrees to pay Owner a percentage of up to [redacted] of all recurring revenues paid by subscribers within the Premises to the Company for Voice, Data and Video Services made available today and in the future, in accordance with the provisions of **Exhibit** "A" attached hereto and made a part hereof (the "Marketing Support Fee"). The Marketing Support Fee shall not include non-recurring revenue, including but not limited to pay per view charges, installation fees, transfer fees, service call fees, re-start fees, equipment rental and deposits. Payments of the Marketing Support Fee will be made to Owner by Company within forty-five (45) days following the end of each calendar quarter commencing on the date provided above, accompanied by Company's certification of the amount of recurring revenues and Penetration Level applicable to each of the Services for such calendar quarter. Any Marketing Support Fees not paid when due shall bear interest at twelve percent (12%) per annum from the due date until paid. Owner shall have the right during reasonable business hours to audit the books and records of Company as to the Penetration Levels and recurring revenues.

2.2 In the event of partial termination of the Agreement pursuant to Section 6.3 or 13.4 thereof, the Company's obligation to pay the Marketing Support Fee shall terminate and the Owner shall have no obligations for Marketing Support under this Agreement or the Agreement.

3. **Audit**. Upon reasonable prior written notice, during normal business hours, at Company's business office at a time and date mutually agreed upon, Owner shall have the right at its own cost and expense to review the Company records used to calculate the Marketing Support Fee payments; provided however, that any such review shall take place within twelve (12) months from the date Owner receives such payment, after which period such payment shall be considered final.

3.1 Upon the completion of any such review by Owner, Owner shall provide to Company a final report, which sets forth Owner's findings in detail, including any and all substantiating documentation. Company shall have thirty (30) days from the receipt of the report to provide Owner with a written response, including any substantiating documentation.

3.2 In the event of an underpayment, the amount due Owner as a result of such a review shall be paid within forty-five (45) days of a receipt of an invoice, unless Company

contests such amount in good faith. In the event of an overpayment, the amount due Company shall be paid within forty five (45) days of completion of the audit.

3.3 Owner acknowledges by the Company paying the underpayment due, if any, the Company does not admit liability whatsoever to any person, including Owner, and that said payment is offered and accepted as complete settlement and compromise of all claims which are or could be asserted by the Owner or by any other person in connection therewith against Company, its parents, subsidiaries, affiliates, agents, officers, directors and employees.

3.4 In connection with such review, Company may disclose to Owner certain information, which is confidential or proprietary. All information, documents, records and data about Company and its affiliates provided to Owner or any of the Representatives during the audit of the Marketing Support Fee payments is referred to herein as "Confidential Information." Confidential Information does not include, however, information which (a) is or becomes generally available to the public other than as a result of a disclosure by Owner or any of its Representatives, (b) was available to Owner on a non-confidential basis prior to its disclosure to Owner by the Company or any of its Representatives, or (c) becomes available to Owner on a non-confidential basis from a third party who is not known by Owner to be bound by a confidentiality agreement with Company or any of its affiliates or who is otherwise not prohibited from transmitting the information to Owner. The term "Representative" means, as to any person, such person's affiliates and its and their employees, agents, financial advisors, counsel, and accountants.

3.5 Owner agrees that the Confidential Information shall not, without the prior written consent of Company, be disclosed by Owner or its Representatives in any manner whatsoever, in whole or in part, and shall not be used by Owner or its Representatives other than in connection with the audit of Marketing Support Fee payments. Owner agrees to reveal the Confidential Information only to its Representatives who need to know the Confidential Information for the purpose of evaluating such possible transaction, who are informed by Owner of the confidential nature of the Confidential Information and who agree to act in accordance with the terms and conditions of this Section. Owner shall be responsible for any breach of this Section by its Representatives.

3.6 Owner understands and agrees that no failure or delay by Company in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise of any right, power or privilege hereunder.

3.7 Owner further acknowledges that remedies at law may be inadequate to protect against breach of this Section, and it hereby in advance agrees to the granting of injunctive relief in the Company's favor. Such relief shall not be deemed to be the exclusive relief for a breach of this Section but shall be in addition to all other remedies available at law or equity.

THIS MARKETING SUPPORT ADDENDUM supplements the Agreement. The terms and conditions of the Agreement shall remain in full force and effect, except as modified by this Marketing Support Addendum.

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EXHIBIT "A"

Marketing Support Fee

Penetration Level *	Marketing Support Fee
[redacted]	[redacted]

* To be applied independently as to Comcast Services for voice, video or data Services and to be rounded up or down to the next whole percentage.

Marsh Hollow

Single Family Homes

Riverwood by Del Webb
AT NOCATEE
THE PULTE HOMES FAMILY™

5210 Belfort Road, Suite 400
Jacksonville, Florida 32256
Telephone: 904-733-7300
Fax: 904-733-7292

DOCKET 060822-TL NOCATEE
RESPONSE TO STAFF'S 1ST POD,
ITEM 3 NOC-1

Dogwood
1362 sq. ft.
3 Bedroom, 2 Bath
Great Room
$366,990 Base Price

Willow
1485 sq. ft.
2 Bedroom, 2 Bath
Family Room, Den
$384,990 Base Price

Cypress
1860 sq. ft.
2 Bedroom, 2 Bath
Family Room, Den
$429,990 Base Price

Laurel
2090 sq. ft.
3 Bedroom, 3 Bath
3rd Bedroom or Den, Loft
$456,990 Base Price

Magnolia
2372 sq. ft.
3 Bedroom, 3 ½ Bath
Den, Loft
$474,990 Base Price

Homes have been pre-selected and total prices determined on the following home sites:

Home Site	Home - Elevation	Price	Perfect 10 Sale Price	Completion Date
*29	Laurel – C	$489,482	Up to $110,000 off	Jun/Jul '07
*30	Magnolia – B	$520,740	Up to $110,00 off	Jun/Jul '07
*55	Magnolia – A	$478,535	Up to $110,00 off	Jun/Jul '07
32	Cypress – C	$458,696	$424,990	Sep/Oct '07
54	Magnolia – C	$489,283	$473,990	Sep/Oct '07
56	Open	Premium $0		Sep/Oct "07
57	Open	Premium $14,209		Sep/Oct "07
33	Dogwood - B	$394,191	$376,990	Oct/Nov '07
34	Laurel – C	$488,512	$450,290	Oct/Nov '07
36	Cypress – B	$468,971	$422,990	Oct/Nov '07
37	Open	Premium 27,374		Nov/Dec '07
38	Open	Premium 34,715		Nov/Dec '07
39	Open	Premium 43,049		Nov/Dec '07
40	Open	Premium 50,191		Nov/Dec '07
41	Open	Premium 57,072		Nov/Dec '07
42	Open	Premium 54,221		Nov/Dec '07
43	Open	Premium 65,034		Dec/Jan '07
45	Open	Premium 69,419		Dec/Jan '07
46	Open	Premium 70,651		Dec/Jan '07

Community Association Fee is $160.00 per month

Eligible for sales incentives of up to $110,000. See a Sales Associate for details. Offer good during Perfect 10 Sales event only 6/22/07 – 6/24/07. " Offers are available only through participating in the Pulte Smart Buyer Program, which includes financing through Pulte Mortgage LLC. Pulte Mortgage LLC is an Equal Opportunity Lender". Pulte Homes will contribute *$10,000* toward total closing costs when buyer elects Smart Buyer Bonus Program. "Perfect 10 Sales Pricing offers available on contracts written from 6/20 – 6/24/07 only! All Perfect 10 pricing offers are subject to limited availability and change without notice. Select options are available for $10 each with this offer, see a Sales Associate for a details. "Total Price" includes base price of home, homesite premium and elevation where applicable.

ORAL REPRESENTATION CANNOT BE RELIED UPON AS CORRECTLY STATING REPRESENTATION OF THE DEVELOPER. FOR CORRECT REPRESENTATIONS, MAKE REFERENCE TO THIS BROCHURE AND TO THE DOCUMENTS REQUIRED BY SECTION 718.503, FLORIDA STATUTES, TO BE FURNISHED BY A DEVELOPER TO A BUYER OR LESSEE.

A CONDOMINIUM HOME COMMUNITY

The Community is age restricted to senior adult occupancy. Each residence, if occupied, must be occupied by at least (1) person age fifty-five (55) years of age or older. No person under nineteen (19) years of age may stay overnight in any residence for more than ninety (90) days in any calendar year. This Community is intended for occupancy in sales and leasing in strict compliance with the foregoing age restriction. The Community complies with the requirements of the Housing for Older Persons Act of 1995 and is an Active Adult Community providing housing for older persons as defined in Section 760.29(4)(b), Florida Statutes (2004). Other than the age restriction, the Community is open to all Purchasers without regard to race, color, religion, sex, handicap or national origin. This community is not registered with the States of California, Connecticut, New Jersey and New York and this advertisement is not an offer to residents of those states. CGC059530 03/07

Riverwood by Del Webb
AT NOCATEE
THE PULTE HOMES FAMILY™

5210 Belfort Road, Suite 400
Jacksonville, Florida 32256
Telephone: 904-733-7300
Fax: 904-733-7292

DOCKET 060822-TL NOCATEE
RESPONSE TO STAFF'S 1ST POD,
ITEM 3, NOC-2

Platinum Collection
Marsh Hollow
Single Family Homes

Cypress
1860 sq. ft.
2 Bedroom, 2 Bath
Family Room, Den

$439,990 thru Dec '07/Jan '08
$444,990 thru Jan/Feb '08

Laurel
2090 sq. ft.
3 Bedroom, 3 Bath
3rd Bedroom or Den, Loft

$466,990 thru Dec '07/Jan '08
$471,990 thru Jan/Feb '08

Antigua
2082 sq. ft.
2 Bedroom, 2 Bath, Family Room

$494,990 thru Dec '07/Jan '08
$499,990 thru Jan/Feb '08

Cayman
2252 sq. ft.
3 Bedroom, 2 Bath, Dining Room and Den

$507,990 thru Dec '07/Jan '08
$512,990 thru Jan/Feb '08

Martinique
2810 sq. ft.
3 Bedroom, 21/2 Bath, Loft

$546,990 thru Dec '07/Jan '08
$551,990 thru Jan/Feb '08

Homes can still be selected on the following home sites.
Homesite premiums as well as elevation premiums are in addition to base price.

Homesite	Homesite Premium	Completion Date
~~52~~	**SOLD**	~~Dec/Jan '08~~
47	$78, 386	Dec/Jan '08
51	$110,456	Dec/Jan '08
48	$102,176	Jan/Feb '08
50	$129,192	Jan/Feb '08
49	$113,066	Jan/Feb '08

Community Association Fee is $160.00 per month
"Total Price" includes base price of home, homesite premium and elevation where applicable.
Pulte Homes will contribute ***$5,000*** toward total closing costs when buyer elects Smart Buyer Bonus Program.
Pulte Homes reserves the right to change pricing at any time without notice.
June 20, 2007

ORAL REPRESENTATION CANNOT BE RELIED UPON AS CORRECTLY STATING REPRESENTATION OF THE DEVELOPER. FOR CORRECT REPRESENTATIONS, MAKE REFERENCE TO THIS BROCHURE AND TO THE DOCUMENTS REQUIRED BY SECTION 718.503, FLORIDA STATUTES, TO BE FURNISHED BY A DEVELOPER TO A BUYER OR LESSEE.
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Fax: 904-733-7292

DOCKET 060822-TL NOCATEE
RESPONSE TO STAFF'S 1ST POD,
ITEM 3, NOC-3

Fawn Gully
Carriage Homes

Homesite	Home	Price	Perfect 10 Sale Price !	Completion Date
4A	Spoonbill	$293,990	$258,990	Oct/Nov '07
~~4B~~	~~Egret~~	**SOLD**	———	~~Oct/Nov '07~~
4C	Heron	$269,990	$224,990	Oct/Nov '07
4D	Cormorant	$286,990	$241,990	Oct/Nov '07
4E	Cormorant	$286,990	$241,990	Oct/Nov '07
4F	Heron	$269,990	$224,990	Oct/Nov '07
4G	Heron	$269,990	$224,990	Oct/Nov '07
4H	Cormorant	$286,990	$241,990	Oct/Nov '07
~~4I~~	~~Egret~~	**SOLD**	———	~~Oct/Nov '07~~
~~4J~~	~~Spoonbill~~	~~$293,990~~	~~$258,990~~ SOLD	~~Oct/Nov '07~~
~~2E~~	~~Egret~~	**SOLD**	———	~~Nov/Dec '07~~
2F	Spoonbill	$318,990	$273,990	Nov/Dec '07
2C	Heron	$309,990	$264,990	Nov/Dec '07
2D	Cormorant	$318,990	$273,990	Nov/Dec '07

PLUS: Select Options only $10.00 !!

Community Association Fee is $100.00 *per month and
Pulte Homes will contribute $10,000 towards total closing costs when Buyer elects* Smart Buyer Bonus Program.

"Offers are available only through participating in the Pulte Smart Buyer Program, which includes financing through Pulte Mortgage LLC. Pulte Mortgage LLC is an Equal Opportunity Lender".

June 20, 2007

ORAL REPRESENTATION CANNOT BE RELIED UPON AS CORRECTLY STATING REPRESENTATION OF THE DEVELOPER. FOR CORRECT REPRESENTATIONS, MAKE REFERENCE TO THIS BROCHURE AND TO THE DOCUMENTS REQUIRED BY SECTION 718.503, FLORIDA STATUTES, TO BE FURNISHED BY A DEVELOPER TO A BUYER OR LESSEE.
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Riverwood by Del Webb
AT NOCATEE
THE PULTE HOMES FAMILY™

Orchard Pass
Condominiums
Building Five

5210 Belfort Road, Suite 400
Jacksonville, Florida 32256
Telephone: 904-733-7300
Fax: 904-733-7292

DOCKET 060822-TL NOCATEE
RESPONSE TO STAFF'S 1ST POD,
ITEM 3, NOC-4

Available Nov/Dec 2007

4th Floor

Monte Verde 542 $268,990	Monte Villa 543 $256,990	Monte Villa 547 $257,990	Monte Verde 546 $273,990
Monte Verde 541 $268,990	Monte Villa 544 SOLD	Monte Villa 548 $259,990	Monte Verde 545 SOLD

3rd Floor

Monte Verde 532 $253,990	Monte Villa 533 $244,990	Monte Villa 537 $247,990	Monte Verde 536 $260,990
Monte Verde 531 $256,990	Monte Villa 534 $249,990	Monte Villa 538 $252,990	Monte Verde 535 SOLD

2nd Floor

Monte Verde 523 $238,990	Monte Villa 523 $229,990	Monte Villa 527 $229,990	Monte Verde 526 SOLD
Monte Verde 521 $238,990	Monte Azul 524 SOLD	Monte Azul 528 SOLD	Monte Verde 525 SOLD

1st Floor

Monte Verde 512 $263,990	Monte Azul 513 $230,990	Monte Azul 517 Model	Monte Verde 516 Model
Monte Verde 511 $258,990	Monte Azul 514 $235,990	Monte Azul 518 $235,990	Monte Verde 515 $273,990

Front

Community Association Fee is $100.00* per month and
Pulte Homes will contribute **$10,000** toward total closing costs when buyer elects* Smart Buyer Bonus Program.

June 20, 2007

"Offers are available only through participation in the Pulte Smart Buyer Program, which includes financing through Pulte Mortgage LLC. Pulte Mortgage is an Equal Opportunity Lender". Pulte Homes reserves the right to change pricing at anytime without notice.

Plus: Select options only $10.00!

ORAL REPRESENTATION CANNOT BE RELIED UPON AS CORRECTLY STATING REPRESENTATION OF THE DEVELOPER. FOR CORRECT REPRESENTATIONS, MAKE REFERENCE TO THIS BROCHURE AND TO THE DOCUMENTS REQUIRED BY SECTION 718.503, FLORIDA STATUTES, TO BE FURNISHED BY A DEVELOPER TO A BUYER OR LESSEE.
A CONDOMINIUM HOME COMMUNITY

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DOCKET 060822-TL NOCATEE
RESPONSE TO STAFF'S 1ST POD,
ITEM 3 NOC-5

Riverwood by Del Webb
AT NOCATEE

THE PULTE HOMES FAMILY

Thicket Creek
Single Family Homes

5210 Belfort Road, Suite 400
Jacksonville, Florida 32256
Telephone: 904-733-7300
Fax: 904-733-7292

Antigua
2082 sq. ft.
2 Bedroom, 2 Bath, Family Room
$484,990 Base Price

Cayman
2252 sq. ft.
3 Bedroom, 2 Bath, Dining Room and Den
$497,990 Base Price

Martinique
2810 sq. ft.
3 Bedroom, 2 ½ Bath, Loft
$536,990 Base Price

Homes have been pre-selected and total prices determined on the following homesites:

Home Site	Home Elevation	Price	Perfect 10 Sale Price !	Completion Date
*123	Antigua – C	$502,120	Up to $110,000 off	Jul/Aug '07
*77	Cayman – C	$526,112	Up to $110,000 off	Jul/Aug '07
*122	Martinique - A	$559,770	Up to $110,000 off	Jul/Aug '07
121	Antigua – B	$491,311	$481,990	Sep/Oct '07
80	Cayman – A	$541,424	$481,990	Sep/Oct '07
81	Cayman – C	$542,856	$494,990	Oct/Nov '07
119	Antigua – A	$501,777	$476,990	Oct/Nov '07
82	Open	Premium $54,341		Oct/Nov '07
83	Open	Premium $39,054		Oct/Nov '07
118	Open	Premium $12,532		Oct/Nov '07
84	Open	Premium $36,868		Oct/Nov '07
116	Open	Premium $11,023		Nov/Dec '07
85	Open	Premium $41,239		Nov/Dec '07
115	Open	Premium $17,453		Nov/Dec '07
86	Open	Premium $43,788		Nov/Dec '07
114	Open	Premium $8,342		Nov/Dec '07
88	Open	Premium $53,075		Nov/Dec '07
89	Open	Premium $39,444		Nov/Dec '07
113	Open	Premium $0		Dec '07/Jan '08
112	Open	Premium $24,536		Dec '07/Jan '08
111	Open	Premium $9,043		Dec '07/Jan '08
90	Open	Premium $21,209		Dec '07/Jan '08
91	Open	Premium $10,956		Dec '07/Jan '08
110	Open	Premium $14,675		Dec '07/Jan '08
109	Open	Premium $8,342		Dec '07/Jan '08

Community Association Fee is $160.00 per month
"Total Price" includes base price of home, homesite premium and elevation where applicable.
Pulte Homes will contribute ***$10,000*** toward total closing costs when buyer elects Smart Buyer Bonus Program. * Eligible for sales incentives of up to $110,000, see a Sales Associate for details. "Perfect 10 Sales Pricing offers available on contracts written from 6/20 – 6/24/07 only! "Offers are available only through participating in the Pulte Smart Buyer Program, which includes financing through Pulte Mortgage LLC. Pulte Mortgage LLC is an Equal Opportunity Lender".
All Perfect 10 pricing offers are subject to limited availability and change without notice.

ORAL REPRESENTATION CANNOT BE RELIED UPON AS CORRECTLY STATING REPRESENTATION OF THE DEVELOPER. FOR CORRECT REPRESENTATIONS, MAKE REFERENCE TO THIS BROCHURE AND TO THE DOCUMENTS REQUIRED BY SECTION 718.503, FLORIDA STATUTES, TO BE FURNISHED BY A DEVELOPER TO A BUYER OR LESSEE.
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Riverwood by Del Webb
AT NOCATEE
THE PULTE HOMES FAMILY™

DOCKET 060822-TL NOCATEE
RESPONSE TO STAFF'S 1ST POD,
ITEM 3, NOC-6

210 Belfort Road, Suite 400
Jacksonville, Florida 32256
Telephone: 904-733-7300
Fax: 904-733-7292

Marsh Hollow
Single Family Homes

Dogwood
1362 sq. ft.
3 Bedroom, 2 Bath
Great Room

Willow
1485 sq. ft.
2 Bedroom, 2 Bath
Family Room, Den

Cypress
1860 sq. ft.
2 Bedroom, 2 Bath
Family Room, Den

Laurel
2090 sq. ft.
3 Bedroom, 3 Bath
3rd Bedroom or Den, Loft

Magnolia
2372 sq. ft.
3 Bedroom, 3 ½ Bath
Den, Loft

Homes have been pre-selected and total prices determined on the following home sites:

Home Site	Home - Elevation	Total Price	Completion Date
29	Laurel – C	$489,482	Jun/Jul '07
30	Magnolia – B	$520,740	Jun/Jul '07
~~31~~	~~Laurel – A~~	**SOLD**	~~Jun/Jul '07~~
55	Magnolia – A	$478,535	Jun/Jul '07
32	Cypress – C	$458,696	Sep/Oct '07
54	Magnolia – C	$489,283	Sep/Oct '07
33	Dogwood - B	$394,191	Oct/Nov '07
~~53~~	~~Cypress – B~~	**SOLD**	~~Oct/Nov '07~~
34	Laurel – C	$488,512	Oct/Nov '07
~~35~~	~~Magnolia – B~~	**SOLD**	~~Oct/Nov '07~~
36	Cypress – B	$468,971	Oct/Nov '07

Community Association Fee is $160.00 per month

"Total Price" includes base price of home, homesite premium and elevation where applicable.
Pulte Homes will contribute ***$7,000*** toward total closing costs when buyer elects Smart Buyer Bonus Program.
Pulte Homes reserves the right to change pricing at any time without notice.
June 8, 2007

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A CONDOMINIUM HOME COMMUNITY

EQUAL HOUSING OPPORTUNITY

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Riverwood by Del Webb
AT NOCATEE
THE PULTE HOMES FAMILY™

5210 Belfort Road, Suite 400
Jacksonville, Florida 32256
Telephone: 904-733-7300
Fax: 904-733-7292

Marsh Hollow
Single Family Homes

Dogwood
1362 sq. ft.
3 Bedroom, 2 Bath
Great Room

$366,990 thru Sep/Oct '07
$371,990 thru Nov/Dec '07
$376,990 thru Dec '07/Jan '08

Willow
1485 sq. ft.
2 Bedroom, 2 Bath
Family Room, Den

$384,990 thru Sep/Oct '07
$389,990 thru Nov/Dec '07
$394,990 thru Dec '07/Jan '08

Cypress
1860 sq. ft.
2 Bedroom, 2 Bath
Family Room, Den

$429,990 thru Sep/Oct '07
$434,990 thru Nov/Dec '07
$439,990 thru Dec '07/Jan '08

Laurel
2090 sq. ft.
3 Bedroom, 3 Bath
3rd Bedroom or Den, Loft

$456,990 thru Sep/Oct '07
$461,990 thru Nov/Dec '07
$466,990 thru Dec '07/Jan '08

Magnolia
2372 sq. ft.
3 Bedroom, 3 ½ Bath
Den, Loft

$474,990 thru Sep/Oct '07
$479,990 thru Nov/Dec '07
$484,990 thru Dec '07/Jan '08

Homes can still be selected on the following home sites. Homesite/elevation Premiums are in addition to base price.

Homesite	Homesite Premium	Completion Date
56	$0	Sep/Oct '07
57	$14,209	Sep/Oct '07
37	$27,374	Nov/Dec '07
38	$34,715	Nov/Dec '07
39	$43,049	Nov/Dec '07
40	$50,191	Nov/Dec '07
41	$57,072	Nov/Dec '07
42	$54,221	Nov/Dec '07
43	$65,034	Dec/Jan '08
44	**SOLD**	~~Dec/Jan '08~~
45	$69,419	Dec/Jan '08
46	$70,651	Dec/Jan '08

Community Association Fee is $160.00 per month

"Total Price" includes base price of home, homesite premium and elevation where applicable.
Pulte Homes will contribute ***$7,000*** toward total closing costs when buyer elects Smart Buyer Bonus Program.
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June 8, 2007

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Riverwood by Del Webb
AT NOCATEE
THE PULTE HOMES FAMILY™

5210 Belfort Road, Suite 400
Jacksonville, Florida 32256
Telephone: 904-733-7300
Fax: 904-733-7292

Platinum Collection
Marsh Hollow
Single Family Homes

Cypress
1860 sq. ft.
2 Bedroom, 2 Bath
Family Room, Den

$439,990 thru Dec '07/Jan '08
$444,990 thru Jan/Feb '08

Laurel
2090 sq. ft.
3 Bedroom, 3 Bath
3rd Bedroom or Den, Loft

$466,990 thru Dec '07/Jan '08
$471,990 thru Jan/Feb '08

Antigua
2082 sq. ft.
2 Bedroom, 2 Bath, Family Room

$494,990 thru Dec '07/Jan '08
$499,990 thru Jan/Feb '08

Cayman
2252 sq. ft.
3 Bedroom, 2 Bath, Dining Room and Den

$507,990 thru Dec '07/Jan '08
$512,990 thru Jan/Feb '08

Martinique
2810 sq. ft.
3 Bedroom, 21/2 Bath, Loft

$546,990 thru Dec '07/Jan '08
$551,990 thru Jan/Feb '08

Homes can still be selected on the following home sites.
Homesite premiums as well as elevation premiums are in addition to base price.

Homesite	Homesite Premium	Completion Date
~~52~~	**SOLD**	~~Dec/Jan '08~~
47	$78, 386	Dec/Jan '08
51	$110,456	Dec/Jan '08
48	$102,176	Jan/Feb '08
50	$129,192	Jan/Feb '08
49	$113,066	Jan/Feb '08

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June 8, 2007

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Jacksonville, Florida 32256
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Fax: 904-733-7292

Thicket Creek

Single Family Homes

Antigua	Cayman	Martinique
2082 sq. ft.	*2252 sq. ft.*	*2810 sq. ft.*
2 Bedroom, 2 Bath, Family Room	*3 Bedroom, 2 Bath, Dining Room and Den*	*3 Bedroom, 21/2 Bath, Loft*
$494,990 thru Dec '07/Jan '08	$507,990 thru Dec '07/Jan '08	$546,990 thru Dec '07/Jan '08
$498,990 thru Jan/Feb '08	$512,990 thru Jan/Feb '08	$551,990 thru Jan/Feb '08
$504,990 thru Feb/Mar '08	$517,990 thru Feb/Mar 08	$556,990 thru Feb/Mar '08
$508,990 thru Mar/Apr '08	$522,990 thru Mar/Apr '08	$561,990 thru Mar/Apr '08

Homesite	Homesite Premium	Completion Date
90	$21,209	Dec '07/Jan '08
91	$10,956	Dec '07/Jan '08
110	$14,675	Dec '07/Jan '08
109	$8,342	Dec '07/Jan '08
108	$0	Dec '07/Jan '08
92	$0	Dec '07/Jan '08
93	$0	Jan/Feb '08
107	$0	Jan/Feb '08
106	$8,993	Jan/Feb '08
105	$79,049	Jan/Feb '08
~~104~~	~~SOLD~~	~~Feb/Mar '08~~
103	$49,095	Feb/Mar '08
102	$59,789	Feb/Mar '08
101	$98,421	Feb/Mar '08
94	$0	Mar/Apr '08
95	$9,102	Mar/Apr '08
96	$29,329	Mar/Apr '08
97	$34,123	Mar/Apr '08

Community Association Fee is $160.00 per month

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Homesite premiums well as elevation premiums are in addition to base price
"Total Price" includes base price of home, homesite premium and elevation where applicable.
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Riverwood by Del Webb
AT NOCATEE
THE PULTE HOMES FAMILY™

DOCKET 060822-TL NOCATEE
RESPONSE TO STAFF'S 1ST POD,
ITEM 3, NOC-10

5210 Belfort Road, Suite 400
Jacksonville, Florida 32256
Telephone: 904-733-7300
Fax: 904-733-7292

Thicket Creek
Single Family Homes

Antigua	Cayman	Martinique
2082 sq. ft. *2 Bedroom, 2 Bath, Family Room*	*2252 sq. ft.* *3 Bedroom, 2 Bath, Dining Room and Den*	*2810 sq. ft.* *3 Bedroom, 21/2 Bath, Loft*
$484,990 thru Oct/Nov '07 $489,990 thru Nov/Dec '07 $494,990 thru Dec '07/Jan '08	$497,990 thru Oct/Nov '07 $502,990 thru Nov/Dec '07 $507,990 thru Dec '07/Jan '08	$536,990 thru Oct/Nov '07 $541,990 thru Nov/Dec '07 $546,990 thru Dec '07/Jan '08

Homes can still be selected on the following homesites.
Homesite premiums as well as elevation premiums are in addition to base price.

Homesite	Homesite Premium	Completion Date
82	$54,341	Oct/Nov '07
83	$39,054	Oct/Nov '07
118	$12,532	Oct/Nov '07
~~117~~	**SOLD**	~~Oct/Nov '07~~
84	$36,868	Oct/Nov '07
116	$11,023	Nov/Dec '07
85	$41,239	Nov/Dec '07
115	$17,453	Nov/Dec '07
86	$43,788	Nov/Dec '07
114	$8,342	Nov/Dec '07
~~87~~	**SOLD**	~~Nov/Dec '07~~
88	$53,075	Nov/Dec '07
89	$39,444	Nov/Dec '07
113	$0	Dec '07/Jan '08
112	$24,536	Dec '07/Jan '08
111	$9,043	Dec '07/Jan '08

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June 8, 2007

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Riverwood by Del Webb
AT NOCATEE
THE PULTE HOMES FAMILY™

DOCKET 060822-TL NOCATEE
RESPONSE TO STAFF'S 1ST POD,
ITEM 3, NOC-11

5210 Belfort Road, Suite 400
Jacksonville, Florida 32256
Telephone: 904-733-7300
Fax: 904-733-7292

Thicket Creek

Single Family Homes

Antigua	Cayman	Martinique
2082 sq. ft.	*2252 sq. ft.*	*2810 sq. ft.*
2 Bedroom, 2 Bath,	*3 Bedroom, 2 Bath,*	*3 Bedroom, 2 ½ Bath,*
Family Room	*Dining Room and Den*	*Loft*

Homes have been pre-selected and total prices determined on the following homesites:

Home Site	Home - Elevation	Total Price	Completion Date
123	Antigua – C	$502,120	Jul/Aug '07
~~76~~	~~Martinique – B~~	**SOLD**	~~Jul/Aug '07~~
77	Cayman – C	$526,112	Jul/Aug '07
122	Martinique – A	$559,770	Jul/Aug '07
121	Antigua – B	$491,311	Sep/Oct '07
~~78~~	~~Cayman – B~~	**SOLD**	~~Sep/Oct '07~~
~~79~~	~~Martinique – C~~	**SOLD**	~~Sep/Oct '07~~
~~120~~	~~Martinique – B~~	**SOLD**	~~Sep/Oct '07~~
80	Cayman – A	$541,424	Sep/Oct '07
81	Cayman – C	$542,856	Oct/Nov '07
119	Antigua – A	$501,777	Oct/Nov '07

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June 8, 2007

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Riverwood by Del Webb
AT NOCATEE
THE PULTE HOMES FAMILY™

DOCKET 060822-TL NOCATEE
RESPONSE TO STAFF'S 1ST POD,
ITEM 3, NOC-12

5210 Belfort Road, Suite 400
Jacksonville, Florida 32256
Telephone: 904-733-7300
Fax: 904-733-7292

Fawn Gully
Carriage Homes

Homesite	Home	Total Price	Completion Date	
4A	Spoonbill	$278,990	Oct/Nov '07	
~~4B~~	~~Egret~~	**SOLD**	~~Oct/Nov '07~~	
4C	Heron	$244,990	Oct/Nov '07	
4D	Cormorant	$261,990	Oct/Nov '07	
4E	Cormorant	$261,990	Oct/Nov '07	
4F	Heron	$244,990	Oct/Nov '07	
4G	Heron	$244,990	Oct/Nov '07	
4H	Cormorant	$261,990	Oct/Nov '07	
~~4I~~	~~Egret~~	**SOLD**	~~Oct/Nov '07~~	
~~4J~~	~~Spoon~~bill	~~$278,990~~	~~Oct/Nov '07~~	SOLD
~~2E~~	~~Egret~~	**SOLD**	~~Nov/Dec '07~~	
2F	Spoonbill	$293,990	Nov/Dec '07	
2C	Heron	$284,990	Nov/Dec '07	
2D	Cormorant	$293,990	Nov/Dec '07	

Community Association Fee is $100.00 *per month and
Pulte Homes will contribute **$5,000** towards total closing costs when Buyer elects* Smart Buyer Bonus Program.
Pulte Homes reserves the right to change pricing at any time without notice.

June 6, 2007

ORAL REPRESENTATION CANNOT BE RELIED UPON AS CORRECTLY STATING REPRESENTATION OF THE DEVELOPER. FOR CORRECT REPRESENTATIONS, MAKE REFERENCE TO THIS BROCHURE AND TO THE DOCUMENTS REQUIRED BY SECTION 718.503, FLORIDA STATUTES, TO BE FURNISHED BY A DEVELOPER TO A BUYER OR LESSEE.
A CONDOMINIUM HOME COMMUNITY

EQUAL HOUSING OPPORTUNITY

The Community is age restricted to senior adult occupancy. Each residence, if occupied, must be *occupied by at least* (1) person age fifty-five (55) years of age or older. No person under nineteen (19) years of age may stay overnight in any residence for more than ninety (90) days in any calendar year. The Community is intended for occupancy in sales and leasing in strict compliance with the foregoing age restriction. The Community complies with the requirements of the Housing for Older Persons Act of 1995 and is an Active Adult Community providing housing for older persons as defined in Section 760.29(4)(b), Florida Statutes (2004). Other than the age restriction, the Community is open to all Purchasers *without regard to race, color, religion, sex, handicap or national origin.* This community is not registered with the States of California, Connecticut, New Jersey and New York and this advertisement is not an offer to residents of those states. CGC059530. 03/07

Riverwood by Del Webb
AT NOCATEE
THE PULTE HOMES FAMILY™

Orchard Pass
Condominiums
Building Five

5210 Belfort Road, Suite 400
Jacksonville, Florida 32256
Telephone: 904-733-7300
Fax: 904-733-7292

DOCKET 060822-TL NOCATEE
RESPONSE TO STAFF'S 1ST POD,
ITEM 3 NOC-13

Available Nov/Dec 2007

4th Floor

Monte Verde 542 $288.990	Monte Villa 543 $276.990	Monte Villa 547 $277.990	Monte Verde 546 $293.990
Monte Verde 541 $288.990	Monte Villa 544 SOLD	Monte Villa 548 $279.990	Monte Verde 545 SOLD

3rd Floor

Monte Verde 532 $273.990	Monte Villa 533 $264.990	Monte Villa 537 $267.990	Monte Verde 536 $280.990
Monte Verde 531 $276.990	Monte Villa 534 $269.990	Monte Villa 538 $272.990	Monte Verde 535 $283.990

2nd Floor

Monte Verde 522 $258.990	Monte Villa 523 $249.990	Monte Villa 527 $249.990	Monte Verde 526 SOLD
Monte Verde 521 $258.990	Monte Azul 524 SOLD	Monte Azul 528 SOLD	Monte Verde 525 SOLD

1st Floor

Monte Verde 512 $283.990	Monte Azul 513 $250.990	Monte Azul 517 Model	Monte Verde 516 Model
Monte Verde 511 $278.990	Monte Azul 514 $255.990	Monte Azul 518 $255.990	Monte Verde 515 $293.990

Front

Community Association Fee is $100.00* per month and Pulte Homes will contribute $5,000 toward total closing costs when buyer elects* Buyer Bonus Program.

June 11, 2007

Pulte Homes reserves the right to change pricing at anytime without notice.

ORAL REPRESENTATION CANNOT BE RELIED UPON AS CORRECTLY STATING REPRESENTATION OF THE DEVELOPER. FOR CORRECT REPRESENTATIONS, MAKE REFERENCE TO THIS BROCHURE AND TO THE DOCUMENTS REQUIRED BY SECTION 718.503, FLORIDA STATUTES, TO BE FURNISHED BY A DEVELOPER TO A BUYER OR LESSEE.
A CONDOMINIUM HOME COMMUNITY

The Community is age restricted to senior adult occupancy. Each residence, if occupied, must be occupied by at least (1) person age fifty-five (55) years of age or older. No person under nineteen (19) years of age may stay overnight in any residence for more than ninety (90) days in any calendar year. The Community is intended for occupancy in sales and leasing in strict compliance with the foregoing age restriction. The Community complies with the requirements of the Housing for Older Persons Act of 1995 and is an Active Adult Community providing housing for older persons as defined in Section 760.29(4)(b), Florida Statutes (2004). Other than the age restriction, the Community is open to all Purchasers without regard to race, color, religion, sex, handicap or national origin. This community is not registered with the States of California, Connecticut, New Jersey and New York and this advertisement is not an offer to residents of those states. CGC059530 03/07

Comcast Digital Voice.®

Phone home. Or, for that matter, most other places.

comcast | BEST BUY

Comcast Digital Voice.

Great features that speak for themselves.

Comcast Digital Voice gives you all the features you expect from home phone service.

Popular calling features

Keep your current phone number

Works with your existing phones

DOCKET 060822-TL NOCATEE
RESPONSE TO STAFF'S 1ST POD,
ITEM 3, NOC-15

Plus you'll get these enhanced features from Comcast:

Unlimited local and long distance
Call anyone, anytime, anywhere
in the country—all for one low price.

One bill for all your Comcast services

Check Voice Mail online
Comcast Digital Voice enables you to
receive and check your home Voice Mail
from any computer with Web access.

Online account detail
Check to see whom you called and how
much you called them with online call detail.

Satisfaction guarantee
We guarantee you will be satisfied with
Comcast Digital Voice. If not, you'll receive
your money for the first 30 days of service.

Savings for COMCAST customers
Bundle Comcast services and save more!
Ask about the savings for Comcast Digital Voice.

comcast | BEST BUY

Sweet savings. Has a nice ring to it, doesn't it?

If you have:	Add Comcast Digital Voice:
Comcast Cable AND Comcast High-Speed Internet	$39.95 / month
Comcast Cable OR Comcast High-Speed Internet	$44.95 / month

For more information, call 1-888-COMCAST or visit www.comcast.com.

comcast | BEST BUY

Available to new residential customers located in Comcast serviceable areas that select Comcast for all of their home calling needs. Unlimited Package pricing applies to direct-dialed domestic calls from home. Pricing does not include federal, state, or local taxes and fees; our Regulatory Recovery Fee, which is not a tax or government-required; or other applicable charges (e.g., per-call charges or international calling). Equipment charges may apply. 30-day limited satisfaction guarantee covers standard installation charges, recurring charges, and equipment rental or purchase fees actually paid to Comcast for first month of service. Comcast Digital Voice service (including 911/emergency services) may not function during an extended power outage. Certain customer premises equipment may not be compatible with Comcast Digital Voice services. Services are subject to terms and conditions of Comcast's subscriber agreements and other applicable terms and conditions. Restrictions apply. Call for details. ©2006 Comcast Cable Communications, LLC. All rights reserved.
Part No. 601-0111092

Digital Voice de Comcast®

Llama a tu casa a o casi cualquier lugar de este planeta.

comcast | BEST BUY

Digital Voice de Comcast.

Magníficas funciones que hablan por sí mismas.

Tu conoces a [illegible] de llamada de alta velocidad [illegible] ahora [illegible] Digital Voice de Comcast.

[illegible]

Digital Voice de Comcast le brinda todas las funciones que tú esperas de un servicio telefónico para el hogar.

Funciones telefónicas más [illegible]

Conserva tu número de teléfono [illegible]

Funciona con tu teléfono existente [illegible]

DOCKET 060822-TL NOCATEE
RESPONSE TO STAFF'S 1ST POD,
ITEM 3 NOC-17

Obtén, además, estas funciones mejoradas de Comcast:

Llamadas locales y de larga distancia ilimitadas

Una sola factura para los servicios de Comcast

Revisa tu buzón de mensajes en línea

Detalles de tu cuenta en línea

Satisfacción garantizada

Ahorros para los clientes de Comcast

comcast | BEST BUY

Ahorros que en casi ningún otro lugar vas a encontrar.

Si tienes:	Agrega Digital Voice:
Cable de Comcast E Internet de Alta Velocidad de Comcast	$39.95 por mes
Cable de Comcast O Internet de Alta Velocidad de Comcast	$44.95 por mes

Si deseas mayor información, llama a 1-888-COMCAST o visita www.comcast.com.

comcast | BEST BUY

Disponible para los clientes residenciales nuevos ubicados en zonas de servicio de Comcast que elijan a Comcast para todas las necesidades telefónicas de su casa. El precio del Paquete Ilimitado corresponde a las llamadas nacionales efectuadas por discado directo desde la casa. El precio no incluye impuestos ni tarifas federales, estatales o locales. Tampoco incluye nuestra Tarifa Reguladora de Recuperación, que no es un impuesto ni está exigida por el gobierno, ni otros cargos pertinentes (por ejemplo: cargos por llamada o llamadas internacionales). Se pueden aplicar cargos por el equipo. La garantía de satisfacción limitada de 30 días cubre los cargos normales de instalación, cargos recurrentes y alquiler del equipo o tarifas de compra ya pagadas a Comcast para el primer mes de servicio. El servicio Digital Voice de Comcast (incluso los servicios de emergencia/911) podría no funcionar durante un corte prolongado de luz. Algún equipo del cliente podría ser incompatible con los servicios de Digital Voice de Comcast. Los servicios están sujetos a los términos y condiciones de los contratos del suscriptor de Comcast y otros términos y condiciones pertinentes. Se aplican ciertas restricciones. Llame para más detalles.
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601-0111092

IT'S TIME TO TURN ON MORE.





COMCAST DIGITAL CABLE | COMCAST DIGITAL CABLE WITH HIGH-DEFINITION

Comcast®

YOUR CHOICE, YOUR WAY, YOUR SCHEDULE. THAT'S COMCAST DIGITAL CABLE.



COMCAST DIGITAL CABLE

Don't schedule your life around your TV. Schedule your TV around your life.

Finally, you can get TV the way it should be: exactly the way you want it. Because technology has finally caught up with the way people want to live, Comcast can now deliver television that fits your schedule, your desires and your needs. Finally, you're in charge.

TURN IT ALL ON.

- **Over a hundred channels of sports, movies, news and sitcoms** from Toon Disney,℠ The Biography® Channel, The Golf Channel®, Discovery™ Channel, E! Entertainment® Television, Style Network,™ National Geographic Channel®, VH1™ and many more.
- **A library of ON DEMAND movies and shows.**
- Choose a premium channel like HBO®, Starz®, Showtime®, TMC™ or Cinemax® and you'll get multiple channels from the same network.
- **Add DVR (Digital Video Recorder)** so you can easily record, store and play back any show, special event, movie, sporting event or news program.*
- **Sign up for Comcast Digital Cable with High-Definition and get crystal-clear picture and sound.****
- **Up to 45 channels of commercial-free music.** The Digital Cable receiver is specifically designed to hook up to your stereo or stereo TV to deliver flawless sound.
- **The on-screen program guide** makes it simple to search TV listings, set reminders for programs you want to see and easily control what your kids are watching when you can't be there.

Plus, with Comcast, there's no expensive equipment to buy and no long-term programming contracts or commitments.

DIGITAL CABLE ON DEMAND DVR CONTROLS

COMCAST DIGITAL CABLE WITH ON DEMAND

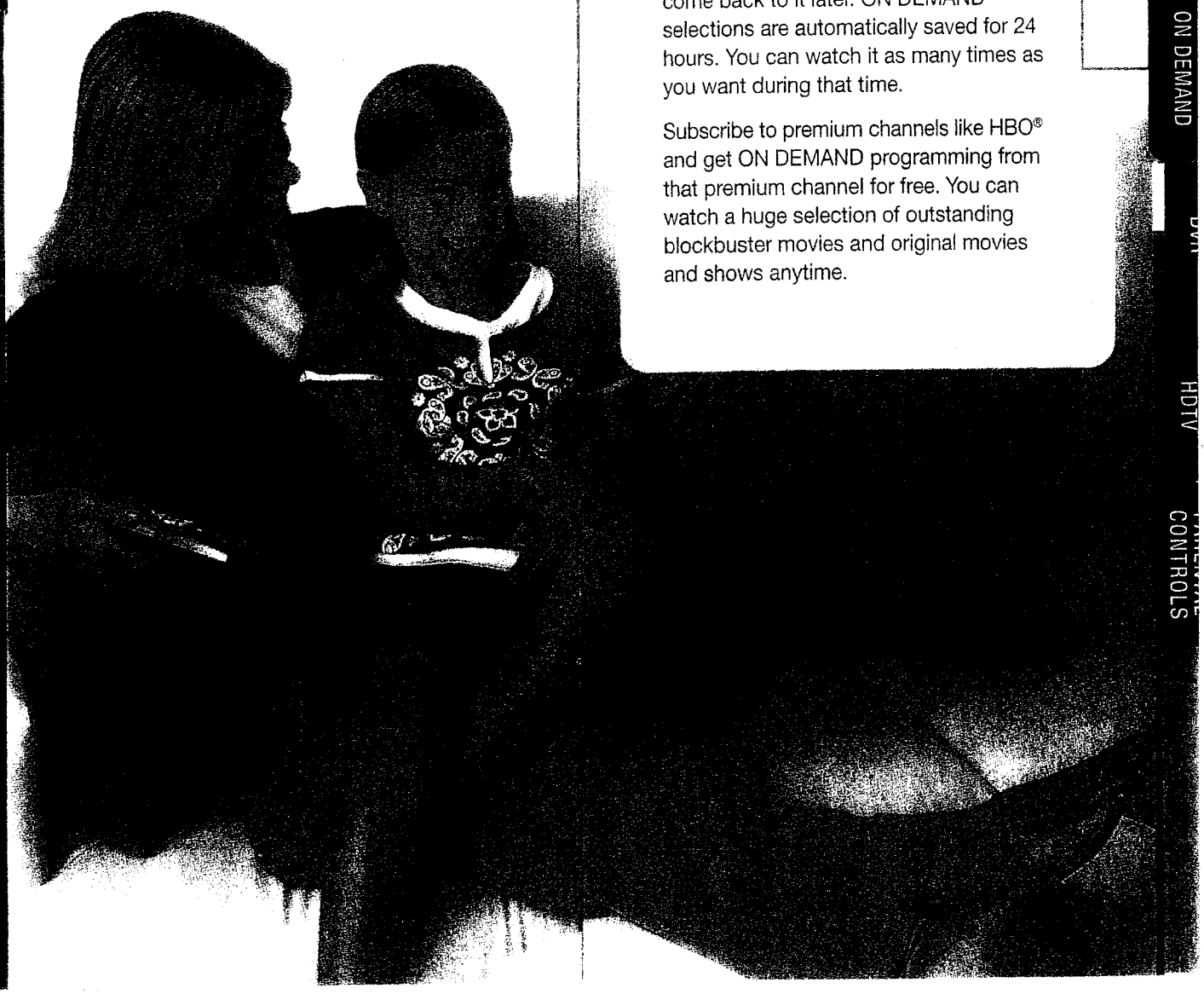
ON DEMAND

Comcast Digital Cable with ON DEMAND. It's TV on the perfect schedule – yours!

Choose from an amazing library of movies and shows with ON DEMAND– many of them free with your subscription. Start them whenever you're ready, then pause, rewind or fast-forward.

Can't finish a movie now? Pause it and come back to it later. ON DEMAND selections are automatically saved for 24 hours. You can watch it as many times as you want during that time.

Subscribe to premium channels like HBO® and get ON DEMAND programming from that premium channel for free. You can watch a huge selection of outstanding blockbuster movies and original movies and shows anytime.



ON DEMAND
DVR
HDTV
PARENTAL CONTROLS

DVR

COMCAST DIGITAL CABLE WITH DVR (DIGITAL VIDEO RECORDER)

Never miss a minute of your favorite shows.

Comcast's DVR will truly change the way you experience television.* Use your DVR to record, store and play back any show, special event, movie, sporting event or news program you want to watch. Now, you'll never have to miss your favorite show again.

Easily record an episode or an entire season of your favorite show with the touch of a button; then keep it as long as you'd like.

You can even pause, rewind and instantly replay live television.

Store hours of standard-definition TV and HDTV programming; then play it back as often as you'd like.



DVR
TV
PARENTAL CONTROLS

*ON DEMAND and Music Choice programming cannot be recorded. Monthly DVR service fee applies.



HDTV

Just picture it.

The spectacular crystal-clear picture you'll get with your HDTV and Comcast Digital Cable with High-Definition must be experienced to be fully appreciated.

HDTV images are several times clearer than DVDs and over five times the resolution of a standard-definition television picture.

Plus, getting Comcast Digital Cable with High-Definition is easier than ever. Simply plug your HD-capable or HD-ready TV into your HD cable box. There's no additional charge for HD programming and no expensive equipment to buy.

Experience the future of TV now, in high-definition.

- **Get more of your local broadcast channels** in HD, like ABC, NBC, CBS and PBS* so you can enjoy your favorite prime-time shows and local sports in crystal-clear high-definition picture and sound.
- Experience ESPN HD, INHD,℠ INHD2℠ and Discovery™ HD Theater with your high-definition subscription.
- **Premium channels** like HBO® HD, Starz® HDTV and Showtime HD® are included with your premium channel subscription.
- **Dolby® Digital 5.1 Surround Sound** completes the HDTV experience, providing theater-quality sound.

HDTV

PARENTAL CONTROLS

* Where available.

PARENTAL CONTROLS FROM COMCAST



PARENTAL CONTROLS

Stay in control of what your family watches with parental controls.

Feel safe and secure when you can't be there. Comcast's parental controls let you restrict the viewing of specific programming and titles. It's easy to navigate with the on-screen program guide, and it's secure – you simply enter a unique code that restricts access by other users.



ORDERING COMCAST SERVICES

It's easy to get Comcast Digital Cable, Digital Cable with High-Definition, and Comcast High-Speed Internet.

SEE A SALES ASSOCIATE

Comcast has made it easier than ever to order our services. Just see a Sales Associate for details, and they'll be glad to get you started. Plus, be sure to look for special offers available in store.

Comcast

Not all services and programming available in all areas. Equipment charges are additional. Certain services are available separately or as a part of other levels of service. A minimum video service subscription is required to receive other levels of service. To receive HD features and benefits, an HDTV (not provided) and other equipment are required and a monthly HD equipment charge applies. HD programming is limited to programming provided to Comcast in HD format by programming provider. ON DEMAND programming is subject to charge indicated at the time of purchase. DVR recording time is limited. ON DEMAND and MUSIC CHOICE programming cannot be recorded. DVR equipment is not compatible with all television sets and DVR features/functions may be limited by television-DVR equipment interface. A DVR monthly service fee applies. A digital converter and remote control are required to receive digital cable, with the number of digital converters available per household being limited according to the digital cable package to which you subscribe. Following service termination, all Comcast equipment must be returned. Comcast Digital Cable service is subject to Comcast's standard terms and conditions. Installation and other charges may apply. Call 1-888-266-2278 for details and restrictions. All other trademarks are the property of their respective owners. ©2005 Comcast. All rights reserved.

RESPONSE TO STAFF'S 1ST POD.
ITEM 3 NOC-25

3 Great Services.
1 Fantastic Offer.







Get **Comcast Enhanced Cable with ON DEMAND High-Speed Internet & Digital Voice** all in one bill for just

$33 each

for 12 months

when you subscribe to all 3 services

000354

Comcast®

DOCKET 060822-TL NOCATEE
RESPONSE TO STAFF'S 1ST POD,
ITEM 3, NOC-26

Comcast Enhanced Cable

- An easy-to-use interactive Program Guide so you can quickly find something to watch, set reminders for shows, and enable parental controls.
- ON DEMAND – A library of movies and shows that are ready when you are, many of which are FREE.*
- Get hundreds of your favorite channels, including ESPN, Lifetime, CNN and all your local broadcasters at no extra charge.
- No dish, so you'll get a clear picture – rain or shine

Get Comcast Enhanced Cable with ON DEMAND for just

$33* for 12 months

when you subscribe to all 3 services

Comcast High-Speed Internet

- Spe
- Vid
  add
- Ear
  tra
- Co
- Plus
  Pho

Get Comcast High-Speed Internet for just

$33* for 12 months

when you subscribe to all 3 services

Comcast Digital Voice

- Keep your current phone number – You can switch to Comcast Digital Voice without changing your number.
- Unlimited local and long distance included – Call anyone, anytime, anywhere in the country.†
- Enjoy 12 popular calling features plus voicemail at no extra cost – including Caller ID, Call Waiting, Call Blocking, Call Return, and more.
- Works with your existing phones and jacks.
- Web access to voicemail – Receive and check home voicemail from anywhere there is Web access.

Get

for just

when you subscribe to all 3 services

000355

Jerry 874-1227

Offer only available in participating Comcast systems (and may not be transferred) and limited to new residential customers (or former customers with accounts in good standing, who have not had Comcast service within the last 90 days), located in Comcast Cable wired and serviceable areas. Offer limited to Enhanced Cable, 6.0 Mbps High-Speed Internet Access and Digital Voice service. Advertised prices only available with subscription to all 3 services. If any service is cancelled or downgraded during the promotional period, Comcast's regular charges apply for any remaining services. AFTER THE PROMOTIONAL PERIOD, COMCAST'S REGULAR CHARGES APPLY UNLESS SERVICE IS CANCELLED. YOU MAY CANCEL BY CALLING 904-374-8000. Comcast's current monthly service charge for all three services ranges from $128.55 to $132.89, depending on the area. Offer only good for a single dwelling per service. Service is subject to Comcast standard terms and conditions of service. Offer ends 8/31/06. Equipment, including a cable modem (for High-Speed service current monthly rental fee is $3/month), Home networking router is $5/month) and EMTA (for telephone service, currently monthly rental fee is $3/month) required and installation fees are additional. Enhanced cable package price includes one digital receiver and remote control. Prices shown do not include taxes, franchise fees or, a tax or government required or other applicable charges, e.g., per-call charges. Not all programming and services available in all areas.

Cable Service: Certain services are available separately or as a part of other levels of service. Basic 1 service subscription is required to receive other levels of service. ON DEMAND selections subject to charge indicated at the time of purchase. Viewing digital signals requires compatible equipment. High-Speed Service: Speeds stated are for downloads only and compare Comcast 6.0 Mbps (maximum upstream limited to 384Kbps) to 56Kbps dial-up and 768 Kbps DSL. Many factors affect speed and actual speeds will vary. Not all features compatible with Macintosh systems and McAfee only compatible with Windows systems. †McAfee@ downloads can be accessed at Comcast.net/benefits. **Comcast Digital Voice:** Unlimited package pricing applies to all direct-dialed calls to locations in the U.S. from home. No separate long distance carrier connection available. Plan does not include international calls. Comcast Digital Voice service (including 911/emergency services) may not function after an extended power outage. Certain customer premises equipment may not be compatible with Comcast Digital Voice services. Caller ID equipment is required. May not be combined with other offers. Please call your local Comcast office for restrictions and complete details about service, prices and

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comcast

Revised Channel Line-up April 2007

Channel Lineup

JACKSONVILLE, ST. JOHNS COUNTY, ORANGE PARK, FLEMING ISLAND

Effective 4/10/07

Limited Service
3 WJXT (IND) Jax
4 TV GUIDE
5 WJXX (ABC) Jax
6 WTEV (CBS) Jax
7 WTWN
8 WJCT (PBS) Jax
9 WCWJ (CW) Jax
10 WAWS (FOX) Jax
11 WTLV (NBC) Jax
12 I TV
13 WJEB (TBN)
14 COMCAST LOCAL PROGRAMMING
25 WUFT (PBS) Gainesville
26 EDUCATION ACCESS
27 C-SPAN
28 WGN SUPERSTATION
29 LOCAL ACCESS
30 WEATHERSCAN
96 HSN
98 QVC
99 LEASED ACCESS
104 C-SPAN 2*
146 CMT*
166 FearNet On Demand*
201 NBC WEATHER PLUS*
206 WAWS (MyNetwork TV)
210 WJCT CREATE / WJCT WORLD*
211 WJCT CITIZEN*
212 WJCT PARTNERS*
260 Clay Co. Government*
261 St. Johns Co. Government*
262 Callahan Government*
263 Hilliard Government*
264 Fernandina Government*,
297 Local On Demand*
298 Free Movies! On Demand*
299 HBO On Demand*
487 HD On Demand*
488 Free Movies! HD On Demand*
490 Premium Channels HD On Demand*
491 Music HD On Demand*
499 Movies On Demand*
540 Adult Movies On Demand*
740 Exercise TV On Demand*

Value Pack
15 BRAVO
16 THE WEATHER CHANNEL
17 TBS Superstation
18 LIFETIME
19 FOOD NETWORK
20 REAL ESTATE
21 HGTV
22 DISNEY CHANNEL
23 FX
24 VERSUS

Standard Service
31 EWTN
32 UNIVISION
33 FOX NEWS CHANNEL
34 COURT TV
35 CNN
36 CNN HN (HEADLINE NEWS)
37 CNBC
38 DISCOVERY CHANNEL
39 THE LEARNING CHANNEL
40 HALLMARK CHANNEL
41 ANIMAL PLANET
42 NICKELODEON
43 ABC FAMILY CHANNEL
44 TV LAND
45 CARTOON NETWORK
46 TNT
47 FUSE
48 ESPN
49 ESPN 2
50 SUN SPORTS
51 FOX SPORTS NET
52 THE GOLF CHANNEL
53 SPEED CHANNEL
54 CSS
55 MTV2
56 VH-1
57 BET
58 MTV
59 THE HISTORY CHANNEL
60 WE - WOMEN'S ENTERTAINMENT
61 SPIKE TV
62 A&E
63 AMERICAN MOVIE CLASSICS
64 USA
65 COMEDY CENTRAL
66 SCI-FI CHANNEL
67 E! ENTERTAINMENT TELEVISION
149 MOVIEPLEX+*

Analog Premium
2 HBO

Family Tier *
16 THE WEATHER CHANNEL
19 FOOD NETWORK
21 HGTV
22 DISNEY CHANNEL
36 CNN HN (HEADLINE NEWS)
38 DISCOVERY CHANNEL
42 NICKELODEON
109 NATIONAL GEOGRAPHIC CHANNEL
110 THE SCIENCE CHANNEL
121 DIY (Do It Yourself Network)
128 SPROUT
129 NICKTOONS
130 DISCOVERY KIDS
132 NICK TOO
133 NICK GAS - GAMES & SPORTS
135 TOON DISNEY
242 TRINITY BROADCASTING NETWORK

High Definition TV - Limited Service
431 WJXX (ABC) HD
432 WTLV (NBC) HD
433 WTEV (CBS) HD
434 WAWS (FOX) HD
435 WCWJ (CW) HD
440 WJCT KIDS / WJCT HD
442 SunSports HD
443 FSN - HD
444 HD PPV

High Definition TV - Standard Service
403 ESPN HD
404 ESPN2 HD
405 Versus/Golf HD
407 TNT HD
409 A & E HD New!
410 Universal HD New!
412 DISCOVERY THEATRE HD
413 Nat Geo HD New!

High Definition TV Digital Basic
408 MOJO (formerly INHD1)
411 MHD

High Definition Premium
416 HBO HD
417 CINEMAX HD
418 SHOWTIME HD
419 STARZ HD

Digital Starter -Limited, Value Pack and Standard Channels with:**
1 ON DEMAND INTERFACE
803-846 Music Choice
+ On-screen program guide
+ Access to limited On Demand

Digital Basic
1 ON DEMAND INTERFACE
103 DISCOVERY HEALTH
105 C-SPAN 3
107 CURRENT TV
108 FOX REALITY CHANNEL
109 NATIONAL GEOGRAPHIC CHANNEL
110 THE SCIENCE CHANNEL
114 BBC AMERICA
118 STYLE
120 Soapnet
121 DIY (Do It Yourself Network)
122 FINE LIVING
126 TRAVEL
128 SPROUT
129 NICKTOONS
130 DISCOVERY KIDS
131 NOGGIN
133 NICK GAS
135 TOON DISNEY
143 VH-1 CLASSIC
144 VH-1 SOUL
147 GREAT AMERICAN COUNTRY
150 ENCORE EAST
151 ENCORE WEST
162 G4 TV 4 GAMERS
164 INDEPENDENT FILM CHANNEL
167 INDIPLEX
168 RETROPLEX
169 TURNER CLASSIC MOVIES
170 FLIX
173 TV ONE
175 AZN
179 GAMESHOW NETWORK
185 MSNBC
186 SHOP NBC
188 JEWELRY TV
241 FAMILY NET
242 TRINITY BROADCASTING NETWORK
246 BLACK FAMILY CHANNEL
247 THE WORD
254 BRAVO
722 ESPNEWS
726 ESPN Classic
803-846 Music Choice

Digital Variety
1 ON DEMAND INTERFACE
111 DISCOVERY TIMES
112 MILITARY CHANNEL
113 DISCOVERY HOME
115 BIOGRAPHY CHANNEL
116 HISTORY CHANNEL INTERNATIONAL
119 LIFETIME MOVIE NETWORK
123 Oxygen
132 NICK TOO
134 WAM !
139 URGE TV
142 MTV JAMS
145 CMT PURE
152 ENCORE ACTION
153 ENCORE ACTION-West
154 ENCORE MYSTERY
155 ENCORE MYSTERY- West
156 ENCORE LOVE
157 ENCORE LOVE -West
158 ENCORE DRAMA
159 ENCORE DRAMA -West
160 ENCORE WESTERNS
161 ENCORE WESTERNS-West
163 LOGO
165 SUNDANCE CHANNEL
172 Gospel Music Channel New!
182 FIT TV
233 DAYSTAR
245 INSPIRATIONAL LIFE NETWORK
251 BLOOMBERG TV
731 OUTDOOR CHANNEL
736 NFL NETWORK
737 TENNIS CHANNEL

Digital Sports & Entertainment Tier
174 BET JAZZ
723 FOX COLLEGE SPORTS - ATLANTIC
724 FOX COLLEGE SPORTS - CENTRAL
725 FOX COLLEGE SPORTS - PACIFIC
728 FOX SOCCER CHANNEL
729 GOL TV
731 OUTDOOR CHANNEL
734 NBA TV
737 TENNIS CHANNEL
738 SPORTSMAN CHANNEL

Premiums on Digital
302 HBO
303 HBO 2
304 HBO SIGNATURE
305 HBO FAMILY
306 HBO COMEDY
307 HBO-West
308 HBO 2 -West
309 HBO SIGNATURE-West
310 HBO FAMILY-West
311 HBO ZONE
312 HBO LATINO
320 CINEMAX
321 MORE MAX
322 CINEMAX - West
323 MORE MAX -West
324 ACTION MAX
325 THRILLER MAX
335 SHOWTIME WOMEN
336 SHOWTIME FAMILY ZONE
337 SHOWTIME NEXT
340 SHOWTIME
341 SHOWTIME TOO
342 SHOWTIME SHOWCASE
343 SHOWTIME - West
344 SHOWTIME TOO -West
345 SHOWTIME SHOWCASE-West
347 SHOWTIME EXTREME
348 SHOWTIME EXTREME-West
350 THE MOVIE CHANNEL
351 THE MOVIE CHANNEL-West
352 THE MOVIE CHANNEL XTRA
353 THE MOVIE CHANNEL XTRA-West
370 STARZ
371 STARZ EDGE
372 STARZ inBLACK
373 STARZ KIDS AND FAMILY
374 STARZ CINEMA
375 STARZ COMEDY
376 STARZ -West
377 STARZ EDGE-West
543 PLAYBOY TV

Digital Cable Latino
601 DISCOVERY EN ESPANOL
602 CNN ESPANOL
603 FOX SPORTS EN ESPANOL
605 MTV Tr3s
606 HISTORY EN ESPANOL
607 CANAL 52 MX
608 CINE LATINO
609 VENE MOVIES
610 CINE MEXICANA
612 ESPN Deportes
622 GOL TV
628 CANAL SUR
630 TV COLUMBIA
631 TV CHILE
632 LA TELE NOVELA
634 SOPRESA
635 SiTV
636 MUN 2

Digital PPV
501 iN Demand PPV Movies & Events
502-507 iN Demand Events
544 PLAYBOY
545 FRESH!
546 SHORTEEZ
548 CLUB JENNA
702-707 iN Demand Movies + ESPN PPV
750-759 iN Demand + NBA
771-784 NHL

+Requires Expanded Cable.
*Additional equipment may be required, service charges may apply.
**Includes one converter or cable card and one remote.

An interactive channel lineup is available at comcast.com/channellineup.
1-904-374-8000
comcast.com

000356

comcast

Revised Pricing April 2007

Pricing

Jacksonville, Orange Park, Fleming Island, St. Johns County
Products & Services

DIGITAL PACKAGES & SERVICES **(monthly)

	Current Price
Digital Preferred with 1 Premium Channel (formerly Digital Silver Plus) — Expanded Cable, Digital Preferred, 1 Premium channel and ON DEMAND.	$77.45
Digital Preferred Plus — Expanded Cable, Digital Preferred, 11 HBO channels, 8 Starz channels and ON DEMAND	$86.45
Digital Preferred with 2 Premium Channels (formerly Digital Gold Plus) — Expanded Cable, Digital Preferred, 2 Premium channels and ON DEMAND.	$86.45
Digital Premier (formerly Digital Platinum) — Expanded Cable, Digital Preferred, Digital Sports & Entertainment, 5 Premium channels and ON DEMAND	$99.45
Digital Starter — Expanded Cable, Movieplex, Music Channels, on screen program guide and access to limited ON DEMAND.	$49.99
Digital Basic — Expanded Cable, Digital Basic channels, and ON DEMAND	$61.94
Digital Preferred (formerly Digital Plus) — Expanded Cable, Digital Basic, Digital Variety, and ON DEMAND	$64.94
Digital One — Channels in Limited and Value Pack service, Digital Basic, and ON DEMAND.	$32.74
Digital Cable Latino Pack (requires subscription to Digital Basic)	$5.99
Digital Sports & Entertainment Channels (requires subscription to Digital Basic)	$5.00
Digital Service - Additional Outlet	$8.95
Digital Starter - Additional Outlet	$5.00
DVR/HDTV Combo or DVR only	$11.95

**Includes one converter or cable card and one remote, if necessary.

ENTERTAINMENT SERVICES (monthly)

Limited Service	$11.79
Standard Service	$33.20
Expanded Cable (includes Limited, Value Pack and Standard Service)	$49.99
Family Tier (Must subscribe to Limited service; can not combine with Standard or Expanded Cable)	$14.95
Family Tier Additional Outlet Service	$5.00

PREMIUM PROGRAMMING SERVICES (monthly)

HBO*	$15.95
CINEMAX**	$15.95
SHOWTIME**	$15.95
THE MOVIE CHANNEL**	$15.95
STARZ**	$15.95
MOVIEPLEX*	$2.95
BOLLYWOOD***	$12.99
HOWARD STERN***	$10.99
PLAYBOY***	$18.99
PPV / ON DEMAND***	Varies

* May require a digital converter.
** Requires a digital converter.
*** Requires a digital converter. Sold separately. Cannot be part of digital packages.

INSTALLATION / REPAIR

Unwired Cable New Connect	$49.95
Prewired Cable Connect	$34.50
Reconnect	$34.50
Transfer Fee	$24.99
Cable Additional Outlet - Same Trip	$18.99
Cable Additional Outlet - Separate Trip	$34.50
Change of Service (non-addressable)	$15.99
Change of Service (addressable)	$1.99
Hourly Service Charge	$60.00
HDTV OR HD/DVR installation	$29.95
High-Speed Internet Professional installation	$49.95
High-Speed Internet Transfer or Reinstallation	$24.99
High-Speed Internet Home Networking installation	$149.99
CDV installation	$99.00
CDV Reconnect	$15.00
CDV New / Reconfigure Jack	$19.95

OTHER

Service Protection Plan (monthly)	$2.95
FCC User Fee (monthly)	$0.06
NSF Fee	$25.00
Late Fee	$5.00
Field Collection Fee	$10.00
Convenience Fee	$4.00

EQUIPMENT

Remotes - all types (monthly)	$0.30
Digital converter (monthly)	$4.70
HDTV (monthly)	$6.95
2nd Cable Card (monthly)	$1.50
Unreturned / Damaged Digital Converter	$150.00
Unreturned / Damaged Digital Converter 700 Series	$79.00
Unreturned / Damaged HDTV Converter	$304.00
Unreturned / Damaged HD / DVR Converter	$401.00
Unreturned / Damaged Cable Card	$72.00
Unreturned / Damaged Modem	$33.00
Unreturned / Damaged Wireless Gateway	$97.00
Unreturned / Damaged Commercial Router	$91.00
Unreturned / Damaged Remote	$5.00
Unreturned / Damaged Power Cord /HD Cables	$10.00
Unreturned / Damaged EMTA (CDV)	$82.00

COMCAST DIGITAL VOICE® SERVICE

Monthly price when purchased with:	Price
Comcast Cable TV and Comcast High-Speed Internet	$39.95
Comcast Cable TV or Comcast High-Speed Internet	$44.95
Comcast Digital Voice® only	$54.95

CDV is for residential customers located in Comcast servicable areas only and is subject to availability.
Package pricing does not include international calling; federal, state, or local regulatory fees, taxes or surcharges; our Regulatory Recovery Fee, which is not a tax or government-mandated; or other applicable charges (e.g. operator service or international calls.) Equipment and installation charges may apply.
Service is subject to the Comcast Digital Voice Residential Subscriber Agreement and other applicable terms and conditions.

HIGH-SPEED INTERNET SERVICE

	Price
Performance Monthly Service*	$42.95
Performance Monthly Service (Non-cable Customer)*	$57.95
Performance Plus Monthly Service *	$52.95
Performance Plus Monthly Service (Non-cable customer)*	$67.95
Monthly Cable Modem Lease Fee**	$3.00
Self Installation Kit Drop off	$10.00
Wireless Home Networking (2 to 5 computers) Monthly Gateway Router / Modem Lease Fee	$5.00

* Monthly Service fee is applied on a per cable modem /gateway basis, e.g. a customer using 2 cable modems will be charged 2 monthly service fees. Does not include applicable equipment charges, taxes or fees.
** Fee per computer.
Additional equipment may be required. Discounts may apply for some multiple premium purchases. These rates do not include state and local communications fees and taxes. Subscription to Limited Service is required to receive any other level of video service. Customer must purchase or rent a converter and a remote control for a separate charge to receive certain services including Family Tier. HDTV service may require certain levels of service or subscription to premium channels for some programming. Certain services are available separately or as part of another level of service. Information about your local franchise authority can be found on your bill. Prices and programming subject to change. Service is subject to Comcast's standard terms and conditions of service.
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Comcast

Toll Brothers

America's Luxury Home Builder™

Carriage Collection
PRICE LIST

EFFECTIVE: June 14, 2007

Coastal Oaks
•AT NOCATEE•
in Ponte Vedra

THE La VERRA: The entry-level townhome includes a formal dining room, and a well-equipped gourmet kitchen that opens to a separate breakfast area, family room, and covered lanai. The second-floor features three bedrooms, two full baths, and a spacious loft.

Floorplan base price: $349,975

THE BAYVIEW: This luxurious two-story end-unit features a two-car garage, three bedrooms, two full baths, one half-bath, an upstairs loft, and a spacious family room that opens to a private, rear covered lanai. An abundance of windows allow natural light throughout this home.

Floorplan base price: $354,975

Sales Managers: Kelly Hofelt, Bob Toback, Priscilla Johnson, and Larry Salcedo
Sales Center Phone Number.....(904) 285-5550
Sales Center Fax Number.....(904) 285-5535

Visit us on-line at CoastalOaksAtNocatee.com
Or
TollBrothersFlorida.com

THE CAPELLA: This three-story townhome has an abundance of space with three bedrooms, three full baths, and a third-story bonus loft. The master bedroom suite features a private balcony, a large walk-in closet, and a luxurious master bath complete with his-and-her vanities.

Floorplan base price: $379,975

Outstanding Features For This Community Include:

- **Located in prestigious Ponte Vedra**
- **Gated community with state-of-the-art amenities**
- **Security of impact-resistant windows**
- **Fire sprinkler systems**
- **Brick paver driveways**
- **Lawn and shrub care, fertilization, insect, and weed control, sprinklers and irrigation water included in H.O.A.**

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Sales Hours: 10:00 a.m. to 6:00 p.m. Monday – Saturday
11:00 a.m. to 6:00 p.m. Sunday
Morning and Evening Hours Available by Appointment

Offers, incentives, and seller contributions vary by community and are subject to certain terms, conditions, and restrictions that may include designated lenders and closing agents.

Toll Brothers

America's Luxury Home Builder™

Carriage Collection
PRICE LIST

EFFECTIVE: June 14, 2007

Coastal Oaks
•AT NOCATEE•
in Ponte Vedra

THE La VERRA:
Tuscan $349,975

THE BAYVIEW:
Tuscan $354,975

THE CAPELLA:
Tuscan..... $379,975

Fees and Assessments:
HOA Assessment-$240/ month billed quarterly
CDD Assessment-$1,000 annually billed through property taxes

Sales Managers: Kelly Hofelt, Bob Toback, Priscilla Johnson, and Larry Salcedo
Sales Center Phone Number.....(904) 285-5550
Sales Center Fax Number.....(904) 285-5535

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Outstanding Features For This Community Include:

- **Corian® countertops in the kitchen and bath vanities**
- **GE® appliance package**
- **All KOHLER® plumbing fixtures**
- **Screened-in lanai**
- **Luxurious master bath with soaking tub and walk-in closet**
- **Concrete block construction on first-floor**

Sales Hours: 10:00 a.m. to 6:00 p.m. Monday – Saturday
11:00 a.m. to 6:00 p.m. Sunday
Morning and Evening Hours Available by Appointment

Offers, incentives, and seller contributions vary by community and are subject to certain terms, conditions, and restrictions that may include designated lenders and closing agents.

PRICES A[redacted]UBJECT TO CHANGE WITHOUT NOTICE CGC0[redacted] PRICES DO NOT INCLUDE LOT PR[redacted]MS

000359

Toll Brothers

America's Luxury Home Builder™

Legacy Collection
PRICE LIST

EFFECTIVE: May 18, 2007

Coastal Oaks
• AT NOCATEE •
in Ponte Vedra

THE ROCKPORT: This cottage-style home is perfect for active adults. An open floorplan with an elegant master bedroom and bath, two secondary bedrooms, and a large guest bath offers an optional second-floor bonus room and bath.

FROM: $405,975

THE DAVENPORT COLLECTION: This quaint three bedroom, two bath single-story home has been especially designed with the "Empty Nester" in mind. An oversized wrap-around front porch opens to an elegant dining room, and a uniquely shaped gathering room that provides a grand space suited for entertaining.

FROM: $419,975

THE CUMBERLAND COLLECTION: This open floorplan allows for the perfect combination of entertainment lifestyle and functional excellence. Formal living and dining rooms, and an optional rear view studio are all focal points that exemplify the Florida lifestyle.

FROM: $434,975

THE STONEBROOK COLLECTION: This traditionally designed two-story floorplan is a wonderful family oriented home. Numerous options, including a large bonus room make it possible to create a one-of-a-kind home perfect for both entertaining, and raising a growing family.

FROM: $446,975

Sales Managers: Kelly Hofelt, Priscilla Johnson, Larry Salcedo, and Bob Toback
Model/Sales Office Phone Number.....(904) 285-5550
Sales Office Fax Number.....(904) 285-5535

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Any and all incentives require the customer to use TBI Mortgage and Westm ter Title.

PRICES ARE SUBJECT TO CHANGE WITHOUT NOTICE CGC 9033

THE FRANKLIN COLLECTION: This spectacular, two-story home offers formal living and dining rooms, and a two-story family room perfect for entertaining. An elegant master suite upstairs and two spacious secondary bedrooms with Jack-and-Jill baths are a few of the luxurious standard features included in this home.

FROM: $456,975

THE AMELIA COLLECTION: This exciting neo-traditional, single-story home features a generous covered-entry opening to a spacious great room with adjoining sunlit breakfast area for relaxing mornings. This three bedroom, two bath home boasts a covered breezeway to add to its charming beauty.

FROM: $397,975

THE FREEPORT COLLECTION: A quaint three bedroom, two bath, single story home has been especially designed with the "Empty Nester" in mind. An oversized wrap-around front porch opens to an elegant dining room, and is conveniently located next to a spacious kitchen and great room combination, well suited for entertaining.

FROM: $414,975

THE CHARLESTON COLLECTION: This two-story traditionally designed home has a charming family-oriented feel with an expansive covered lanai, which joins the main house with a two-car garage. With three bedroom, and two baths, this home is well designed for both entertaining, and raising a growing family.

FROM: $439,975

Fees and Assessments:
HOA Assessment-$289/ month billed quarterly
CDD Assessment-$1,150 annually billed through property taxes

Sales Hours: 10:00 a.m. to 6:00 p.m. Monday – Saturday
11:00 a.m. to 6:00 p.m. Sunday Morning and evening hours available by appointment.

PRICES DO NOT INCLUDE LOT PREMIUMS

000360

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America's Luxury Home Builder™

Legacy Collection
PRICE LIST

EFFECTIVE: May 18, 2007

Coastal Oaks
• AT NOCATEE •
in Ponte Vedra

THE ROCKPORT COLLECTION

Heritage	$405,975
Traditional	$407,975
Craftsman	$409,975

THE DAVENPORT COLLECTION

Craftsman	$419,975
Heritage	$422,975
Traditional	$424,975

THE CUMBERLAND COLLECTION

Heritage	$424,975
Traditional	$429,975
Craftsman	$434,975

THE STONEBROOK COLLECTION

Heritage	$446,975
Traditional	$451,975
Craftsman	$456,975

Sales Managers: Kelly Hofelt, Priscilla Johnson, Bob Toback, and Larry Salcedo
Model/Sales Office Phone Number.....(904) 285-5550
Sales Office Fax Number.....(904) 285-5535

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Any and all incentives require the customer to use TBI Mortgage and Westminster Title.

THE FRANKLIN COLLECTION

Traditional	$456,975
Craftsman	$461,975
Heritage	$466,975

THE AMELIA COLLECTION

Craftsman	$397,975
Traditional	$399,975

THE FREEPORT COLLECTION

Craftsman	$414,975
Heritage	$419,975

THE CHARLESTON COLLECTION

Heritage	$439,975
Traditional	$444,975

Outstanding Features For This Community Include:

- **Located in prestigious Ponte Vedra**
- **Gated community with state-of-the-art amenities**
- **Security of a pre-engineered storm room**
- **Corian® countertops**
- **Brick paver driveways**
- **Lawn and shrub care, fertilization, and insect control included in H.O.A.**
- **Amenity Center is just a short walk away**

Sales Hours: 10:00 a.m. to 6:00 p.m. Monday – Saturday
11:00 a.m. to 6:00 p.m. Sunday
Morning and evening hours available by appointment.

000361

PRICES A[redacted]UBJECT TO CHANGE WITHOUT NOTICE CGC0[redacted] PRICES DO NOT INCLUDE LOT PREMIUM[redacted]

EQUAL HOUSING

Toll Brothers

America's Luxury Home Builder™

Ambassador Collection
PRICE LIST

EFFECTIVE: June 13, 2007

Coastal Oaks
• AT NOCATEE •
in Ponte Vedra

THE ROSEBERRY COLLECTION: The bonus room can be used as an entertainment center, or can serve as a bedroom suite perfect for the Teen in your life. Three, first-floor bedrooms and a total of three, full baths make this home perfect for the growing family, or the empty nester.

FROM: $456,975

THE GRANDVILLE COLLECTION: The options are abundant. This home features the perfect Florida floorplan with vistas to bring the outdoors in. With options, this home grows to over 3,100 square feet, and has an option for a three-car garage.

FROM: $458,975

THE WEDGEWOOD COLLECTION: A classic two-story with the master suite on the ground floor, two bedrooms and a bonus/game room upstairs. An elegant two-story formal foyer greets your guests as they enter this amazing masterpiece.

FROM: $481,975

Sales Managers: Kelly Hofelt, Priscilla Johnson, Larry Salcedo and Bob Toback
Sales Center Phone Number .....(904) 285-5550
Sales Center Fax Number.....(904) 285-5535

Visit us on-line at CoastalOaksAtNocatee.com
or
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SAN TROPEZ COLLECTION: A beautiful two-story foyer dazzles you as you enter this magnificent home. Adjacent to the entry is the formal living room, which can be converted into a private study, and a formal dining room, which is conveniently located off the kitchen and gallery. The privately located master bedroom features a walk-in closet and private bath suite. At the end of the day, entertain the family in the bonus room upstairs.

FROM: $493,975

THE TERRANO COLLECTION: This magnificent two-story home features a grand foyer, a study and loft, three bedrooms, three baths, and a three-car garage, all accented by a private atrium.

FROM: $501,975

Outstanding Features For This Community Include:

- **Located in prestigious Ponte Vedra**
- **Gated community with state-of-the-art amenities**
- **Security of a pre-engineered storm room**
- **Brick paver driveways**

000362

Sales Hours: 10:00 a.m. to 6:00 p.m. Monday – Saturday
11:00 a.m. to 6:00 p.m. Sunday
Morning and evening hours available by appointment.

Offers, incentives, and seller contributions vary by community and are subject to certain terms, conditions, and restrictions that may include designated lenders and closing agents.

Toll Brothers

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Ambassador Collection
PRICE LIST

EFFECTIVE: June 13, 2007

Coastal Oaks
• AT NOCATEE •
in Ponte Vedra

THE ROSEBERRY COLLECTION:

Cimmaron	$456,975
Spanish Colonial	$462,975
Calais	$464,975
Traditional	$466,975

THE GRANDVILLE COLLECTION:

Traditional	$458,975
Spanish Colonial	$459,975
Heritage	$461,975
Brougham	$466,975

THE WEDGEWOOD COLLECTION:

Calais	$481,975
Traditional	$483,975
Brougham	$489,975

Sales Managers: Kelly Hofelt, Priscilla Johnson, Larry Salcedo and Bob Toback

Sales Center Phone Number .....(904) 285-5550

Sales Center Fax Number.....(904) 285-5535

Offers, incentives, and seller contributions vary by community and are subject to certain terms, conditions, and restrictions that may include designated lenders and closing agents.

Sales Hours: 10:00 a.m. to 6:00 p.m. Monday – Saturday
11:00 a.m. to 6:00 p.m. Sunday
Morning and evening hours available by appointment.

THE SAN TROPEZ COLLECTION:

Cimmaron	$493,975
Calais	$494,975
Heritage	$496,975

THE TERRANO COLLECTION:

Tuscan	$501,975
Mediterranean	$504,975
Renaissance	$506,975
Provincial	$508,975

Outstanding Features For This Community Include:

- **Corian® countertops throughout**
- **KOHLER® fixtures and faucets**
- **GE Profile® appliances**
- **Distinctive crown moulding**
- **Fireplace with custom wood mantle**

000363

Fees and Assessments:
HOA Assessment - $105/month billed quarterly
CDD Assessment - $1,300 billed annually through property taxes

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PRICES [redacted] SUBJECT TO CHANGE WITHOUT NOTICE CGC [redacted]33 PRICES DO NOT INCLUDE LOT P[redacted]IUMS

Toll Brothers

America's Luxury Home Builder™

Estate Collection
PRICE LIST

EFFECTIVE: June 15, 2007

Coastal Oaks
- AT NOCATEE -
in Ponte Vedra

THE ARAMIS COLLECTION: The split floorplan of the Aramis features a private master suite on one side of the home, with three additional bedrooms, and two baths on the opposite side. The centrally located great room and gourmet kitchen, with breakfast area, overlooks the spacious covered lanai.

FROM: $597,975

THE RINALDI COLLECTION: A welcoming covered entry leads into an elegant foyer that provides the ideal setting for lavish entertainment. This split plan home is enhanced with three additional bedrooms, a private study, an ideally located powder bath, and a luxurious, gourmet kitchen.

FROM: $611,975

THE HAMPTON COLLECTION: A grand, two-story foyer greets your entry into this home. Four bedrooms, four full baths, a sitting area in the master suite, and a spacious master bath with all the expected amenities await your furnishings.

FROM: $612,975

Sales Managers: Kelly Hofelt, Priscilla Johnson, Bob Toback and Larry Salcedo
Model/Sales Office Phone Number..... (904) 285-5550
Sales Office Fax Number..... (904) 285-5535

Sales Hours: 10:00 a.m. to 6:00 p.m. Monday – Saturday
11:00 a.m. to 6:00 p.m. Sunday
Morning and evening hours available by appointment.

THE MONTGOMERY COLLECTION: This four bedroom, three bath home comes standard with a bonus room suite. Encompassing generously allocated space, this floorplan is ideal for the growing family, and offers a formal dining room, study, family room, and breakfast nook overlooking the lanai.

FROM: $627,975

THE SAN LUCCA COLLECTION: This stately two story home features an impressive foyer and two-story great room. With four bedrooms and three and a half baths there is plenty of room for the growing family. A large game room upstairs provides an added bonus.

FROM: $642,975

Outstanding Features For This Community Include:

- **Located in prestigious Ponte Vedra**
- **Gated Community with state-of-the-art amenities**
- **Security of a pre-engineered storm room**
- **Brick paver driveways**

000364

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Offers, incentives, and seller contributions vary by community and are subject to certain terms, conditions, and restrictions that may include designated lenders and closing agents.

PRICES ARE SUBJECT TO CHANGE WITHOUT NOTICE CG[illegible]9033 PRICES DO NOT INCLUDE LOT PREMIUMS

EQUAL HOUSING OPPORTUNITY

Toll Brothers

America's Luxury Home Builder™

Estate Collection
PRICE LIST

EFFECTIVE: June 15, 2007

Coastal Oaks
• AT NOCATEE •
in Ponte Vedra

THE ARAMIS COLLECTION:

Chateau	$597,975
Versailles	$602,975
Mediterranean	$607,975

THE HAMPTON COLLECTION:

Calais	$612,975
Brougham	$617,975
Heritage	$629,975

THE RINALDI COLLECTION:

Provincial	$611,975
Versailles	$612,975
Mediterranean	$617,975

THE MONTGOMERY COLLECTION:

Cimarron	$627,975
Spanish Colonial	$632,975
Brougham	$642,975
Heritage	$644,975

THE SAN LUCCA COLLECTION:

Chateau	$642,975
Vienna	$644,975
Renaissance	$654,975
Williamsburg	$656,975

Outstanding Features For This Community Include:

- **Granite countertops in Kitchen**
- **Corian® countertops at bath vanities**
- **All Kohler® plumbing fixtures**
- **Oak-tread main stairs with open railing**
- **Laundry room base and upper cabinets**

000365

Sales Managers: Kelly Hofelt, Priscilla Johnson, Bob Toback and Larry Salcedo
Model/Sales Office Phone Number.....(904) 285-5550
Sales Office Fax Number.....(904) 285-5535

Sales Hours: 10:00 a.m. to 6:00 p.m. Monday – Saturday
11:00 a.m. to 6:00 p.m. Sunday
Morning and Evening Hours Available by Appointment

Visit us on-line at CoastalOaksAtNocatee.com or TollBrothers.com

Fees and Assessments:
HOA Assessment- $105/ month, billed quarterly
CDD Assessment- $1,400 billed annually through Property Taxes

PRICES SUBJECT TO CHANGE WITHOUT NOTICE CGC 33 PRICES DO NOT INCLUDE LOT PREMI

EQUAL HOUSING OPPORTUNITY

RESPONSE TO STAFF'S 1ST POD,
ITEM 3 NOC-37

Toll Brothers

America's Luxury Home Builder™

Signature Collection
PRICE LIST

EFFECTIVE: May 8, 2007

Coastal Oaks
·AT NOCATEE·
in Ponte Vedra

dTHE CYPRESS COLLECTION: A grand two-story floorplan, this home features a three-car garage, five bedrooms, and four full baths. This open floorplan includes formal dining and living rooms, study, and a family room overlooking the entertainment patio.

FROM: $694,975

THE WESTIN COLLECTION: The elegant and stylish gathering room is the focal point as you enter through the formal foyer. This open floorplan features five bedrooms, four full baths, formal dining and living rooms, and an upstairs loft open to the gathering room below.

FROM: $704,975

Sales Managers: Kelly Hofelt, Priscilla Johnson, and Bob Toback
Model/Sales Office Phone Number.....(904) 285-5550
Sales Office Fax Number.....(904) 285-5535

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or
TollBrothers.com

Sales Hours: 10:00 a.m. to 6:00 p.m. Monday – Saturday
11:00 a.m. to 6:00 p.m. Sunday
Morning and evening hours available by appointment.

Any and all incentives require the customer to use TBI Mortgage and Westminster Title.

THE WILLOW COLLECTION: A unique floorplan that boasts an open walkway upstairs with breathtaking views of the two-story foyer, and family room areas. This floorplan features four bedrooms, three full baths, two half baths, formal dining and living rooms, upstairs loft, study, and two private rear covered lanais.

FROM: $729,975

THE HOLLY COLLECTION: This five bedroom, four full bath, open floorplan home allows for the perfect combination of entertainment, lifestyle, and functional elegance. This home features formal dining and living rooms, private study/ exercise room, and the grand two-story foyer opens to an upstairs loft with rear covered balcony.

FROM: $754,975

THE DOMINIQUE COLLECTION: This five bedroom, four full bath, and two half bath Mediterranean-style floorplan allows for the perfect combination of entertainment, lifestyle, and functional elegance. The breathtaking two-story foyer and living room can be viewed from the second-story loft which hosts three bedrooms, and two baths. The master enclave creates one wing of the home while the gourmet kitchen, overlooking the family room, compliments the other half of the home.

FROM: $769,975

000366

Outstanding Features For This Community Include:

- **Located in prestigious Ponte Vedra**
- **Gated community with state-of-the-art amenities**
- **Security of a pre-engineered storm room**
- **Brick paver driveways**
- **All home sites back up to preserve**

PRICES ARE SUBJECT TO CHANGE WITHOUT NOTICE CGC[illegible]033 PRICES DO NOT INCLUDE LOT PREMIUMS

Toll Brothers

America's Luxury Home Builder™

Signature Collection
PRICE LIST

EFFECTIVE: May 8, 2007

Coastal Oaks
• AT NOCATEE •
in Ponte Vedra

THE CYPRESS COLLECTION:

Heritage	$694,975
Calais	$704,975
Traditional	$709,975

THE WESTIN COLLECTION:

Cimarron	$704,975
Spanish Colonial	$709,975
Brougham	$714,975
Heritage	$719,975

Fees and Assessments:
HOA Assessment- $105/ month billed quarterly
CDD Assessment- $1,600 annually billed through property taxes

Sales Managers: Kelly Hofelt, Priscilla Johnson, and Bob Toback
Model/Sales Office Phone Number.....(904) 285-5550
Sales Office Fax Number.....(904) 285-5535

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Sales Hours: 10:00 a.m. to 6:00 p.m. Monday – Saturday
11:00 a.m. to 6:00 p.m. Sunday
Morning and evening hours available by appointment.

THE WILLOW COLLECTION:

Calais	$729,975
Spanish Colonial	$739,975
Heritage	$749,975

THE HOLLY COLLECTION:

Heritage	$754,975
Calais	$774,975
Brougham	$779,975

THE DOMINIQUE COLLECTION:

Provincial	$769,975
Chateau	$774,975
Mediterranean	$784,975
Traditional	$789,975

Outstanding Features For This Community Include:

- **Granite countertops**
- **Corian® countertops at bath vanities**
- **All Kohler® plumbing fixtures**
- **Oak-tread main stairs with open railing**
- **Wood trimmed window package**
- **Stainless steel appliances**
- **Laundry room base and upper cabinets**

PRICES A[redacted]UBJECT TO CHANGE WITHOUT NOTICE CGC0[redacted]

PRICES DO NOT INCLUDE LOT PRI[redacted]MS

EQUAL HOUSING

000367

Revised Channel Line-up April 2007

Channel Lineup

JACKSONVILLE, ST. JOHNS COUNTY, ORANGE PARK, FLEMING ISLAND

Effective 4/10/07

Limited Service
3 WJXT (IND) Jax
4 TV GUIDE
5 WJXX (ABC) Jax
6 WTEV (CBS) Jax
7 WTWN
8 WJCT (PBS) Jax
9 WCWJ (CW) Jax
10 WAWS (FOX) Jax
11 WTLV (NBC) Jax
12 I TV
13 WJEB (TBN)
14 COMCAST LOCAL PROGRAMMING
25 WUFT (PBS) Gainesville
26 EDUCATION ACCESS
27 C-SPAN
28 WGN SUPERSTATION
29 LOCAL ACCESS
30 WEATHERSCAN
96 HSN
98 QVC
99 LEASED ACCESS
104 C-SPAN 2*
146 CMT*
166 FearNet On Demand*
201 NBC WEATHER PLUS*
206 WAWS (MyNetwork TV)
210 WJCT CREATE / WJCT WORLD*
211 WJCT CITIZEN*
212 WJCT PARTNERS*
260 Clay Co. Government*
261 St. Johns Co. Government*
262 Callahan Government*
263 Hilliard Government*
264 Fernandina Government*,
297 Local On Demand*
298 Free Movies! On Demand*
299 HBO On Demand*
487 HD On Demand*
488 Free Movies! HD On Demand*
490 Premium Channels HD On Demand*
491 Music HD On Demand*
499 Movies On Demand*
540 Adult Movies On Demand*
740 Exercise TV On Demand*

Value Pack
15 BRAVO
16 THE WEATHER CHANNEL
17 TBS Superstation
18 LIFETIME
19 FOOD NETWORK
20 REAL ESTATE
21 HGTV
22 DISNEY CHANNEL
23 FX
24 VERSUS

Standard Service
31 EWTN
32 UNIVISION
33 FOX NEWS CHANNEL
34 COURT TV
35 CNN
36 CNN HN (HEADLINE NEWS)
37 CNBC
38 DISCOVERY CHANNEL
39 THE LEARNING CHANNEL
40 HALLMARK CHANNEL
41 ANIMAL PLANET
42 NICKELODEON
43 ABC FAMILY CHANNEL
44 TV LAND
45 CARTOON NETWORK
46 TNT
47 FUSE
18 ESPN
49 ESPN 2
50 SUN SPORTS
51 FOX SPORTS NET
52 THE GOLF CHANNEL
53 SPEED CHANNEL
54 CSS
55 MTV2
56 VH-1
57 BET
58 MTV
59 THE HISTORY CHANNEL
60 WE - WOMEN'S ENTERTAINMENT
61 SPIKE TV
62 A&E
63 AMERICAN MOVIE CLASSICS
64 USA
65 COMEDY CENTRAL
66 SCI-FI CHANNEL
67 E! ENTERTAINMENT TELEVISION
149 MOVIEPLEX+*

Analog Premium
2 HBO

Family Tier *
16 THE WEATHER CHANNEL
19 FOOD NETWORK
21 HGTV
22 DISNEY CHANNEL
36 CNN HN (HEADLINE NEWS)
38 DISCOVERY CHANNEL
42 NICKELODEON
109 NATIONAL GEOGRAPHIC CHANNEL
110 THE SCIENCE CHANNEL
121 DIY (Do It Yourself Network)
128 SPROUT
129 NICKTOONS
130 DISCOVERY KIDS
132 NICK TOO
133 NICK GAS - GAMES & SPORTS
135 TOON DISNEY
242 TRINITY BROADCASTING NETWORK

High Definition TV - Limited Service
431 WJXX (ABC) HD
432 WTLV (NBC) HD
433 WTEV (CBS) HD
434 WAWS (FOX) HD
435 WCWJ (CW) HD
440 WJCT KIDS / WJCT HD
442 SunSports HD
443 FSN - HD
444 HD PPV

High Definition TV - Standard Service
403 ESPN HD
404 ESPN2 HD
405 Versus/Golf HD
407 TNT HD
409 A & E HD New!
410 Universal HD New!
412 DISCOVERY THEATRE HD
413 Nat Geo HD New!

High Definition TV Digital Basic
408 MOJO (formerly INHD1)
411 MHD

High Definition Premium
416 HBO HD
417 CINEMAX HD
418 SHOWTIME HD
419 STARZ HD

Digital Starter -Limited, Value Pack and Standard Channels with:**
1 ON DEMAND INTERFACE
803-846 Music Choice
+ On-screen program guide
+ Access to limited On Demand

Digital Basic
1 ON DEMAND INTERFACE
103 DISCOVERY HEALTH
105 C-SPAN 3
107 CURRENT TV
108 FOX REALITY CHANNEL
109 NATIONAL GEOGRAPHIC CHANNEL
110 THE SCIENCE CHANNEL
114 BBC AMERICA
118 STYLE
120 Soapnet
121 DIY (Do It Yourself Network)
122 FINE LIVING
126 TRAVEL
128 SPROUT
129 NICKTOONS
130 DISCOVERY KIDS
131 NOGGIN
133 NICK GAS
135 TOON DISNEY
143 VH-1 CLASSIC
144 VH-1 SOUL
147 GREAT AMERICAN COUNTRY
150 ENCORE EAST
151 ENCORE WEST
162 G4 TV 4 GAMERS
164 INDEPENDENT FILM CHANNEL
167 INDIPLEX
168 RETROPLEX
169 TURNER CLASSIC MOVIES
170 FLIX
173 TV ONE
175 AZN
179 GAMESHOW NETWORK
185 MSNBC
186 SHOP NBC
188 JEWELRY TV
241 FAMILY NET
242 TRINITY BROADCASTING NETWORK
246 BLACK FAMILY CHANNEL
247 THE WORD
254 BRAVO
722 ESPNEWS
726 ESPN Classic
803-846 Music Choice

Digital Variety
1 ON DEMAND INTERFACE
111 DISCOVERY TIMES
112 MILITARY CHANNEL
113 DISCOVERY HOME
115 BIOGRAPHY CHANNEL
116 HISTORY CHANNEL INTERNATIONAL
119 LIFETIME MOVIE NETWORK
123 Oxygen
132 NICK TOO
134 WAM !
139 URGE TV
142 MTV JAMS
145 CMT PURE
152 ENCORE ACTION
153 ENCORE ACTION-West
154 ENCORE MYSTERY
155 ENCORE MYSTERY- West
156 ENCORE LOVE
157 ENCORE LOVE -West
158 ENCORE DRAMA
159 ENCORE DRAMA -West
160 ENCORE WESTERNS
161 ENCORE WESTERNS-West
163 LOGO
165 SUNDANCE CHANNEL
172 Gospel Music Channel New!
182 FIT TV
233 DAYSTAR
245 INSPIRATIONAL LIFE NETWORK
251 BLOOMBERG TV
731 OUTDOOR CHANNEL
736 NFL NETWORK
737 TENNIS CHANNEL

Digital Sports & Entertainment Tier
174 BET JAZZ
723 FOX COLLEGE SPORTS - ATLANTIC
724 FOX COLLEGE SPORTS - CENTRAL
725 FOX COLLEGE SPORTS - PACIFIC
728 FOX SOCCER CHANNEL
729 GOL TV
731 OUTDOOR CHANNEL
734 NBA TV
737 TENNIS CHANNEL
738 SPORTSMAN CHANNEL

Premiums on Digital
302 HBO
303 HBO 2
304 HBO SIGNATURE
305 HBO FAMILY
306 HBO COMEDY
307 HBO-West
308 HBO 2 -West
309 HBO SIGNATURE-West
310 HBO FAMILY-West
311 HBO ZONE
312 HBO LATINO
320 CINEMAX
321 MORE MAX
322 CINEMAX - West
323 MORE MAX -West
324 ACTION MAX
325 THRILLER MAX
335 SHOWTIME WOMEN
336 SHOWTIME FAMILY ZONE
337 SHOWTIME NEXT
340 SHOWTIME
341 SHOWTIME TOO
342 SHOWTIME SHOWCASE
343 SHOWTIME - West
344 SHOWTIME TOO -West
345 SHOWTIME SHOWCASE-West
347 SHOWTIME EXTREME
348 SHOWTIME EXTREME-West
350 THE MOVIE CHANNEL
351 THE MOVIE CHANNEL-West
352 THE MOVIE CHANNEL XTRA
353 THE MOVIE CHANNEL XTRA-West
370 STARZ
371 STARZ EDGE
372 STARZ inBLACK
373 STARZ KIDS AND FAMILY
374 STARZ CINEMA
375 STARZ COMEDY
376 STARZ -West
377 STARZ EDGE-West
543 PLAYBOY TV

Digital Cable Latino
601 DISCOVERY EN ESPANOL
602 CNN ESPANOL
603 FOX SPORTS EN ESPANOL
605 MTV Tr3s
606 HISTORY EN ESPANOL
607 CANAL 52 MX
608 CINE LATINO
609 VENE MOVIES
610 CINE MEXICANA
612 ESPN Deportes
622 GOL TV
628 CANAL SUR
630 TV COLUMBIA
631 TV CHILE
632 LA TELE NOVELA
634 SOPRESA
635 SiTV
636 MUN 2

Digital PPV
501 iN Demand PPV Movies & Events
502-507 iN Demand Events
544 PLAYBOY
545 FRESH!
546 SHORTEEZ
548 CLUB JENNA
702-707 iN Demand Movies + ESPN PPV
750-759 iN Demand + NBA
771-784 NHL

+Requires Expanded Cable.
*Additional equipment may be required, service charges may apply.
**Includes one converter or cable card and one remote.

An interactive channel lineup is available at comcast.com/channellineup.
1-904-374-8000
comcast.com

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comcast

Revised Pricing April 2007

Pricing

Jacksonville, Orange Park, Fleming Island, St. Johns County
Products & Services

DIGITAL PACKAGES & SERVICES **(monthly)

	Current Price
Digital Preferred with 1 Premium Channel (formerly Digital Silver Plus)	$77.45
Expanded Cable, Digital Preferred, 1 Premium channel and ON DEMAND.	
Digital Preferred Plus	$86.45
Expanded Cable, Digital Preferred, 11 HBO channels, 8 Starz channels and ON DEMAND	
Digital Preferred with 2 Premium Channels (formerly Digital Gold Plus)	$86.45
Expanded Cable, Digital Preferred, 2 Premium channels and ON DEMAND.	
Digital Premier (formerly Digital Platinum)	$99.45
Expanded Cable, Digital Preferred, Digital Sports & Entertainment, 5 Premium channels and ON DEMAND	
Digital Starter	
Expanded Cable, Movieplex, Music Channels, on screen program guide and access to limited ON DEMAND.	$49.99
Digital Basic	
Expanded Cable, Digital Basic channels, and ON DEMAND	$61.94
Digital Preferred (formerly Digital Plus)	
Expanded Cable, Digital Basic, Digital Variety, and ON DEMAND	$64.94
Digital One	
Channels in Limited and Value Pack service, Digital Basic, and ON DEMAND.	$32.74
Digital Cable Latino Pack (requires subscription to Digital Basic)	$5.99
Digital Sports & Entertainment Channels (requires subscription to Digital Basic)	$5.00
Digital Service - Additional Outlet	$8.95
Digital Starter - Additional Outlet	$5.00
DVR/HDTV Combo or DVR only	$11.95

**Includes one converter or cable card and one remote, if necessary.

ENTERTAINMENT SERVICES (monthly)

Limited Service	$11.79
Standard Service	$33.20
Expanded Cable (includes Limited, Value Pack and Standard Service)	$49.99
Family Tier (Must subscribe to Limited service; can not combine with Standard or Expanded Cable)	$14.95
Family Tier Additional Outlet Service	$5.00

PREMIUM PROGRAMMING SERVICES (monthly)

HBO*	$15.95
CINEMAX**	$15.95
SHOWTIME**	$15.95
THE MOVIE CHANNEL**	$15.95
STARZ**	$15.95
MOVIEPLEX*	$2.95
BOLLYWOOD***	$12.99
HOWARD STERN***	$10.99
PLAYBOY***	$18.99
PPV / ON DEMAND***	Varies

* May require a digital converter.
** Requires a digital converter.
*** Requires a digital converter. Sold separately. Cannot be part of digital packages.

INSTALLATION / REPAIR

Unwired Cable New Connect	$49.95
Prewired Cable Connect	$34.50
Reconnect	$34.50
Transfer Fee	$24.99
Cable Additional Outlet - Same Trip	$18.99
Cable Additional Outlet - Separate Trip	$34.50
Change of Service (non-addressable)	$15.99
Change of Service (addressable)	$1.99
Hourly Service Charge	$60.00
HDTV OR HD/DVR installation	$29.95
High-Speed Internet Professional installation	$49.95
High-Speed Internet Transfer or Reinstallation	$24.99
High-Speed Internet Home Networking installation	$149.99
CDV installation	$99.00
CDV Reconnect	$15.00
CDV New / Reconfigure Jack	$19.95

OTHER

Service Protection Plan (monthly)	$2.95
FCC User Fee (monthly)	$0.06
NSF Fee	$25.00
Late Fee	$5.00
Field Collection Fee	$10.00
Convenience Fee	$4.00

EQUIPMENT

Remotes - all types (monthly)	$0.30
Digital converter (monthly)	$4.70
HDTV (monthly)	$6.95
2nd Cable Card (monthly)	$1.50
Unreturned / Damaged Digital Converter	$150.00
Unreturned / Damaged Digital Converter 700 Series	$79.00
Unreturned / Damaged HDTV Converter	$304.00
Unreturned / Damaged HD / DVR Converter	$401.00
Unreturned / Damaged Cable Card	$72.00
Unreturned / Damaged Modem	$33.00
Unreturned / Damaged Wireless Gateway	$97.00
Unreturned / Damaged Commercial Router	$91.00
Unreturned / Damaged Remote	$5.00
Unreturned / Damaged Power Cord /HD Cables	$10.00
Unreturned / Damaged EMTA (CDV)	$82.00

COMCAST DIGITAL VOICE® SERVICE

Monthly price when purchased with:	Price
Comcast Cable TV and Comcast High-Speed Internet	$39.95
Comcast Cable TV or Comcast High-Speed Internet	$44.95
Comcast Digital Voice® only	$54.95

CDV is for residential customers located in Comcast servicable areas only and is subject to availability.
Package pricing does not include international calling; federal, state, or local regulatory fees, taxes or surcharges; our Regulatory Recovery Fee, which is not a tax or government-mandated; or other applicable charges (e.g. operator service or international calls.) Equipment and installation charges may apply.
Service is subject to the Comcast Digital Voice Residential Subscriber Agreement and other applicable terms and conditions.

HIGH-SPEED INTERNET SERVICE

	Price
Performance Monthly Service*	$42.95
Performance Monthly Service (Non-cable Customer)*	$57.95
Performance Plus Monthly Service *	$52.95
Performance Plus Monthly Service (Non-cable customer)*	$67.95
Monthly Cable Modem Lease Fee**	$3.00
Self Installation Kit Drop off	$10.00
Wireless Home Networking (2 to 5 computers) Monthly Gateway Router / Modem Lease Fee	$5.00

* Monthly Service fee is applied on a per cable modem /gateway basis, e.g. a customer using 2 cable modems will be charged 2 monthly service fees. Does not include applicable equipment charges, taxes or fees.
** Fee per computer.
Additional equipment may be required. Discounts may apply for some multiple premium purchases. These rates do not include state and local communications fees and taxes. Subscription to Limited Service is required to receive any other level of video service. Customer must purchase or rent a converter and a remote control for a separate charge to receive certain services including Family Tier. HDTV service may require certain levels of service or subscription to premium channels for some programming. Certain services are available separately or as part of another level of service. Information about your local franchise authority can be found on your bill. Prices and programming subject to change. Service is subject to Comcast's standard terms and conditions of service.
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8495 7400 1010, 040-120, 150-220, 430

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Comcast

Comcast Digital Voice.®

Phone home. Or, for that matter, most other places.

comcast | BEST BUY

Comcast Digital Voice.

Great features that speak for themselves.

You know Comcast as a cable and high-speed Internet company. What you may not know is that we also have phones. After providing reliable, high-quality phone service to over 12 million phone customers for years, we're putting that experience to work with our new home phone service called Comcast Digital Voice.

Comcast Digital Voice is an advanced, [illegible] service that enables you to enjoy [illegible] features without sacrificing any of your current phone features or the clarity you expect. Read on to see how.

Comcast Digital Voice gives you all the features you expect from home phone service.

Popular calling features
[illegible]
such as Caller ID, Call Waiting, Call Forwarding, Voicemail and more.

Keep your current phone number

Works with your existing phones
[illegible]
phone you have.

you'll get these enhanced
res from Comcast:

sed local and long distance
ne, anytime, anywhere
intry—all for one low price.

l for all your Comcast services

Voice Mail online
Digital Voice enables you to
et checks your home Voice Mail
computer with Web access

Account detail
See whom you called and how
called them—all online, all the

ction guarantee
will be credited onto
Digital Voice if not, we'll refund
e, your first month's Digital Voice

s for Comcast customers
Comcast Services and subscribe to
your existing Comcast Digital Voice

Comcast | BEST BUY

Sweet savings. Has a nice ring to it, doesn't it?

If you have:	Add Comcast Digital Voice:
Comcast Cable AND Comcast High-Speed Internet	$39.95 / month
Comcast Cable OR Comcast High-Speed Internet	$44.95 / month

For more information, call 1-888-COMCAST or visit www.comcast.com.

comcast | BEST BUY

Available to new residential customers located in Comcast serviceable areas that select Comcast for all of their home calling needs. Unlimited Package pricing applies to direct-dialed domestic calls from home. Pricing does not include federal, state, or local taxes and fees; our Regulatory Recovery Fee, which is not a tax or government-required; or other applicable charges (e.g., per-call charges or international calling). Equipment charges may apply. 30-day limited satisfaction guarantee covers standard installation charges, recurring charges, and equipment rental or purchase fees actually paid to Comcast for first month of service. Comcast Digital Voice service (including 911/emergency services) may not function during an extended power outage. Certain customer premises equipment may not be compatible with Comcast Digital Voice services. Services are subject to terms and conditions of Comcast's subscriber agreements and other applicable terms and conditions. Restrictions apply. Call for details. ©2006 Comcast Cable Communications, LLC. All rights reserved.
Part No. 601-0111092

Digital Voice de Comcast®

Llama a tu casa a o casi cualquier lugar de este planeta.

comcast | BEST BUY

Digital Voice de Comcast.

Magníficas funciones que hablan por sí mismas.

Tu conoces a Comcast como una compañía de cable y de Internet de alta velocidad. Lo que quizás no sepas es que nosotros también sabemos de teléfonos. Porque ahora podemos brindarte un servicio telefónico confiable de alta calidad a más de [illegible] millones de clientes alrededor del país. Y estamos preparados para ofrecerte esa experiencia con nuestro nuevo servicio telefónico para el hogar, Digital Voice de Comcast.

Digital Voice de Comcast es una tecnología sencilla de usar que te permite disfrutar espléndidas funciones novedosas sin sacrificar la calidad de tu servicio telefónico. Y, por supuesto, podrás conservar tu número actual. Contáctanos para obtener más información.

Digital Voice de Comcast te brinda todas las funciones que tú esperas de un servicio telefónico para el hogar.

Funciones telefónicas [illegible]

Comisiones [illegible]

Características [illegible]

DOCKET 060822-TL NOCATEE
RESPONSE TO STAFF'S 1ST POD,
ITEM 3, NOC-44

Obtén, además, estas funciones mejoradas de Comcast:

Llamadas locales y de larga distancia ilimitadas

Una sola factura para todos tus servicios de Comcast

Revisa tu correo de mensajes en línea

Detalles de tu cuenta en línea

Ahorros que en casi ningún otro lugar vas a encontrar.

Si tienes:	Agrega Digital Voice:
Cable de Comcast E Internet de Alta Velocidad de Comcast	$39.95 por mes
Cable de Comcast O Internet de Alta Velocidad de Comcast	$44.95 por mes

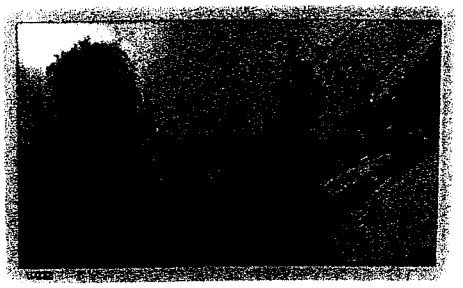
Si deseas mayor información, llama a 1-888-COMCAST o visita www.comcast.com.

comcast | BEST BUY

Disponible para los clientes residenciales nuevos ubicados en zonas de servicio de Comcast que elijan a Comcast para todas las necesidades telefónicas de su casa. El precio del Paquete Ilimitado corresponde a las llamadas nacionales efectuadas por discado directo desde la casa. El precio no incluye impuestos ni tarifas federales, estatales o locales. Tampoco incluye nuestra Tarifa Reguladora de Recuperación, que no es un impuesto ni está exigida por el gobierno, ni otros cargos pertinentes (por ejemplo: cargos por llamada o llamadas internacionales). Se pueden aplicar cargos por el equipo. La garantía de satisfacción limitada de 30 días cubre los cargos normales de instalación, cargos recurrentes y alquiler del equipo o tarifas de compra ya pagadas a Comcast para el primer mes de servicio. El servicio Digital Voice de Comcast (incluso los servicios de emergencia/911) podría no funcionar durante un corte prolongado de luz. Algún equipo del cliente podría ser incompatible con los servicios de Digital Voice de Comcast. Los servicios están sujetos a los términos y condiciones de los contratos del suscriptor de Comcast y otros términos y condiciones pertinentes. Se aplican ciertas restricciones. Llame para más detalles.
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comcast | BEST BUY

IT'S TIME TO TURN ON MORE.





COMCAST DIGITAL CABLE | COMCAST DIGITAL CABLE WITH HIGH-DEFINITION

Comcast®

YOUR CHOICE, YOUR WAY,
YOUR SCHEDULE. THAT'S
COMCAST
DIGITAL CABLE.



COMCAST DIGITAL CABLE

Don't schedule your life around your TV. Schedule your TV around your life.

Finally, you can get TV the way it should be: exactly the way you want it. Because technology has finally caught up with the way people want to live, Comcast can now deliver television that fits your schedule, your desires and your needs. Finally, you're in charge.

TURN IT ALL ON.

- **Over a hundred channels of sports, movies, news and sitcoms** from Toon Disney,℠ The Biography® Channel, The Golf Channel®, Discovery™ Channel, E! Entertainment® Television, Style Network,™ National Geographic Channel®, VH1™ and many more.
- **A library of ON DEMAND movies and shows.**
- Choose a premium channel like HBO®, Starz®, Showtime®, TMC™ or Cinemax® and you'll get multiple channels from the same network.
- **Add DVR (Digital Video Recorder)** so you *can easily record, store and play back* any show, special event, movie, sporting event or news program.*
- **Sign up for Comcast Digital Cable with High-Definition and get crystal-clear picture and sound.****
- **Up to 45 channels of commercial-free music.** The Digital Cable receiver is specifically designed to hook up to your stereo or stereo TV to deliver flawless sound.
- **The on-screen program guide** makes it simple to search TV listings, set reminders for programs you want to see and easily control what your kids are watching when you can't be there.

Plus, with Comcast, there's no expensive equipment to buy and no long-term programming contracts or commitments.

COMCAST DIGITAL CABLE
ON DEMAND
DVR
HDTV
PARENTAL CONTROLS

COMCAST
DIGITAL CABLE
WITH ON DEMAND



ON DEMAND

Comcast Digital Cable with ON DEMAND. It's TV on the perfect schedule – yours!

Choose from an amazing library of movies and shows with ON DEMAND– many of them free with your subscription. Start them whenever you're ready, then pause, rewind or fast-forward.

Can't finish a movie now? Pause it and come back to it later. ON DEMAND selections are automatically saved for 24 hours. You can watch it as many times as you want during that time.

Subscribe to premium channels like HBO® and get ON DEMAND programming from that premium channel for free. You can watch a huge selection of outstanding blockbuster movies and original movies and shows anytime.

ON DEMAND
DVR
HDTV
PARENTAL CONTROLS

DVR

COMCAST DIGITAL CABLE WITH DVR (DIGITAL VIDEO RECORDER)

Never miss a minute of your favorite shows.

Comcast's DVR will truly change the way you experience television.* Use your DVR to record, store and play back any show, special event, movie, sporting event or news program you want to watch. Now, you'll never have to miss your favorite show again.

Easily record an episode or an entire season of your favorite show with the touch of a button; then keep it as long as you'd like.

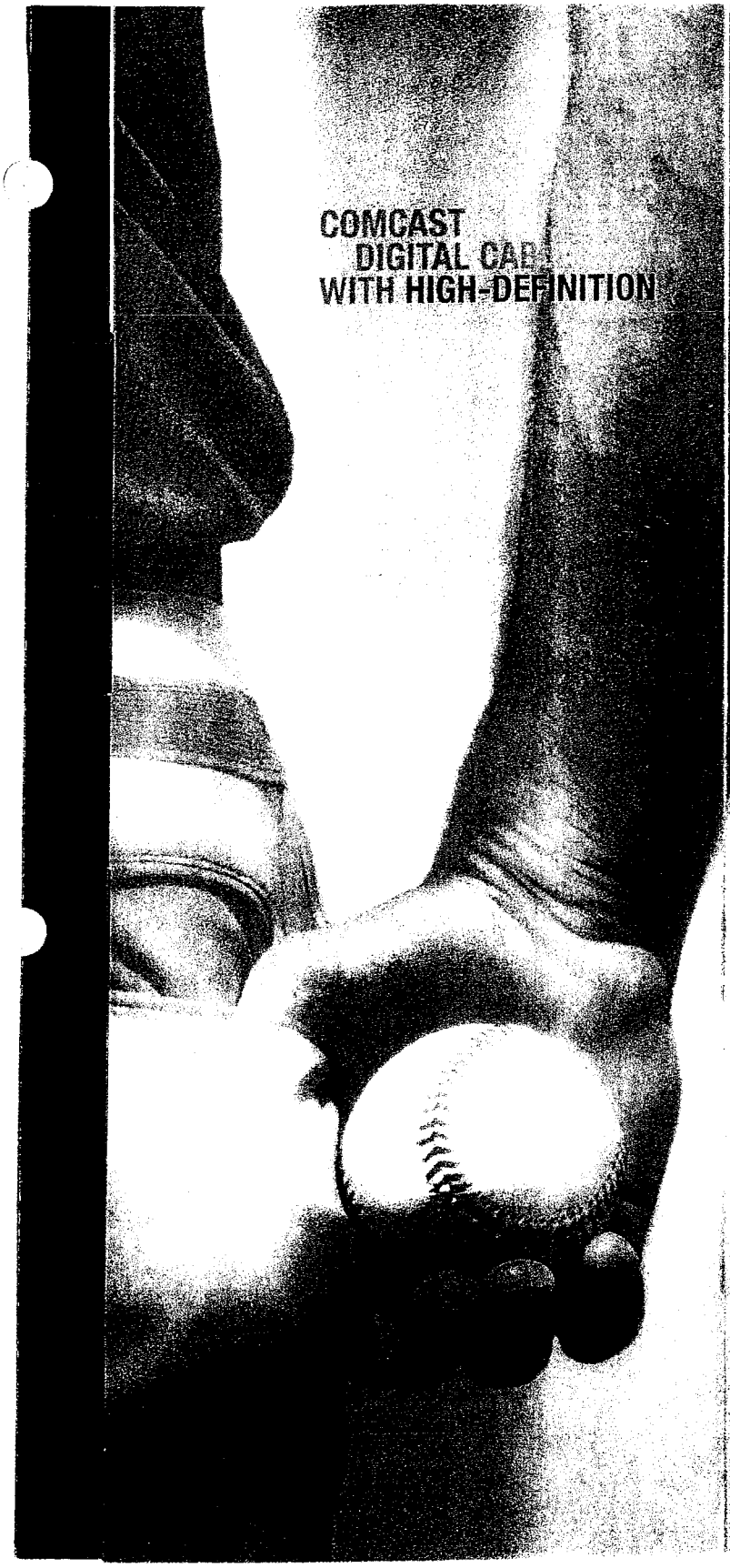
You can even pause, rewind and instantly replay live television.

Store hours of standard-definition TV and HDTV programming; then play it back as often as you'd like.



DVR
HDTV
PARENTAL CONTROLS

*ON DEMAND and Music Choice programming cannot be recorded. Monthly DVR service fee applies.



HDTV

Just picture it.

The spectacular crystal-clear picture you'll get with your HDTV and Comcast Digital Cable with High-Definition must be experienced to be fully appreciated.

HDTV images are several times clearer than DVDs and over five times the resolution of a standard-definition television picture.

Plus, getting Comcast Digital Cable with High-Definition is easier than ever. Simply plug your HD-capable or HD-ready TV into your HD cable box. There's no additional charge for HD programming and no expensive equipment to buy.

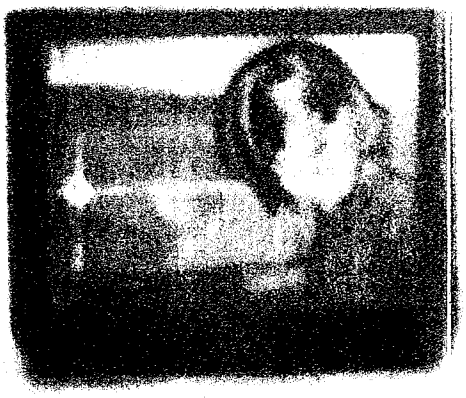
Experience the future of TV now, in high-definition.

- **Get more of your local broadcast channels** in HD, like ABC, NBC, CBS and PBS* so you can enjoy your favorite prime-time shows and local sports in crystal-clear high-definition picture and sound.
- Experience ESPN HD, INHD,℠ INHD2℠ and Discovery™ HD Theater with your high-definition subscription.
- **Premium channels** like HBO® HD, Starz® HDTV and Showtime HD® are included with your premium channel subscription.
- **Dolby® Digital 5.1 Surround Sound** completes the HDTV experience, providing theater-quality sound.

* Where available.

PARENTAL CONTROLS

PARENTAL CONTROLS FROM COMCAST DIGITAL



PARENTAL CONTROLS

Stay in control of what your family watches with parental controls.

Feel safe and secure when you can't be there. Comcast's parental controls let you restrict the viewing of specific programming and titles. It's easy to navigate with the on-screen program guide, and it's secure – you simply enter a unique code that restricts access by other users.



ORDERING COMCAST SERVICES

It's easy to get Comcast Digital Cable, Digital Cable with High-Definition, and Comcast High-Speed Internet.

SEE A SALES ASSOCIATE

Comcast has made it easier than ever to order our services. Just see a Sales Associate for details, and they'll be glad to get you started. Plus, be sure to look for special offers available in store.

comcast

Not all services and programming available in all areas. Equipment charges are additional. Certain services are available separately or as a part of other levels of service. A minimum video service subscription is required to receive other levels of service. To receive HD features and benefits, an HDTV (not provided) and other equipment are required and a monthly HD equipment charge applies. HD programming is limited to programming provided to Comcast in HD format by programming provider. ON DEMAND programming is subject to charge indicated at the time of purchase. DVR recording time is limited. ON DEMAND and MUSIC CHOICE programming cannot be recorded. DVR equipment is not compatible with all television sets and DVR features/functions may be limited by television-DVR equipment interface. A DVR monthly service fee applies. A digital converter and remote control are required to receive digital cable, with the number of digital converters available per household being limited according to the digital cable package to which you subscribe. Following service termination, all Comcast equipment must be returned. Comcast Digital Cable service is subject to Comcast's standard terms and conditions. Installation and other charges may apply. Call 1-888-266-2278 for details and restrictions. All other trademarks are the property of their respective owners. ©2005 Comcast. All rights reserved.

CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060822-TL EXHIBIT 5
COMPANY FLPSC Staff
WITNESS Stip-5 Confidential
DATE 07-24-07

CONFIDENTIAL EXHIBIT NO._____

DOCKET NO.: 060822-TL

WITNESS: N/A

PARTY: Staff

DESCRIPTION:

Nocatee's CONFIDENTIAL Responses to Staff's First Data Request NOC-1, DN 01521-07 & DN 01874-07.

PROFFERING PARTY: Staff

I.D. No. STIP-5

EXHIBIT NO._____

DOCKET NO.: 060822-TL

WITNESS: N/A

PARTY: Staff

DESCRIPTION:

Composite of Nocatee's Responses to AT&T Florida Discovery

a. Nocatee's Responses to AT&T Florida's First Request for Production of Documents (Nos. 1-2) *(Copies of All Documents provided to staff in Response to Staff Data Request NOC-1, same as EXH 4 a.)* ;

b. Nocatee's Responses to AT&T Florida's First Request for Admissions (Nos. 1-20) and Second Request for Production of Documents (Nos. 3-10);

c. Nocatee's Responses to AT&T Florida's First Set of Interrogatories (Nos. 1-13), Second Request for Admissions (Nos. 21-29) and Third Request for Production of Documents (Nos. 11-15);

d. Nocatee's Response to AT&T Florida's July 10, 2007 Request for Clarification and Objections.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060822-TL **EXHIBIT** 6
COMPANY FL PSC Staff
WITNESS Stip-6
DATE 07-24-07

PROFFERING PARTY: Staff

I.D. No. STIP-6

M C
& S

MESSER CAPARELLO & SELF, P.A.

Attorneys At Law

www.lawfla.com

2007 JUN 12 PM 1:04
COMPETITIVE SERVICES

June 11, 2007

BY ELECTRONIC FILING
Ms. Ann Cole, Director
Commission Clerk and Administrative Services
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket No. 060822-TL

Dear Ms. Cole:

Enclosed for filing on behalf of Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc. ("Nocatee") is Nocatee's Notice of Service of its Responses to on BellSouth Telecommunications, Inc. d/b/a AT&T Florida's First Request for Production of Documents (Nos. 1-2)

Thank you for your assistance with this filing.

Sincerely,

for Floyd R. Self

FRS/amb
Enclosure
cc: Lynn Pappas, Esq.
Parties of Record

000383

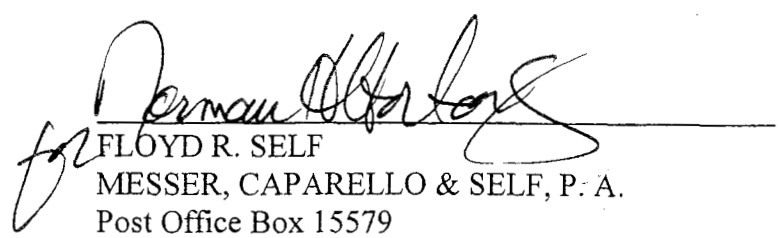
Regional Center Office Park / 2618 Centennial Place / Tallahassee, Florida 32308
Mailing Address: P.O. Box 15579 / Tallahassee, Florida 32317
Main Telephone: (850) 222-0720 / *Fax:* (850) 224-4359

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of BellSouth Telecommunications, Inc. for Relief from Carrier-of-Last-Resort Obligations Pursuant to Florida Statutes §364.025(6)(d).	DOCKET NO. 060822-TL DATE FILED: June 11, 2007

NOCATEE DEVELOPMENT COMPANY, SONOC COMPANY, LLC, TOLL JACKSONVILLE LIMITED PARTNERSHIP, PULTE HOME CORPORATION AND PARC GROUP, INC.'S NOTICE OF SERVICE OF RESPONSES TO BELLSOUTH TELECOMMUNICATIONS, INC.'S D/B/A AT&T FLORIDA FIRST REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 1 - 2)

Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc. ("Nocatee") by and through its undersigned counsel, hereby files and serves Notice that it has served its Responses to BellSouth Telecommunications, Inc.'s d/b/a AT&T Florida's ("AT&T") First Request for Production of Documents (Nos. 1 - 2) by hand delivery on Manuel A. Gurdian, Esq., AT&T Florida, 150 South Monroe Street, Suite 400, Tallahassee, Florida 32301 on this 11th day of June, 2006.



FLOYD R. SELF
MESSER, CAPARELLO & SELF, P. A.
Post Office Box 15579
Tallahassee, FL 32317
(850) 222-0720

Attorneys for Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served on the following parties by Hand Delivery (*) and/or U.S. Mail this 11th day of June, 2007.

Patrick Wiggins, Esq.
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Mr. Dale Buys
Division of Competitive Markets and
Enforcement
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

James Meza III *
Michael Gurdian
Tracy Hatch
c/o Nancy H. Sims
AT&T Florida
150 South Monroe Street, Suite 400
Tallahassee, FL 32301

E. Earl Edenfield
AT&T Southeast
675 West Peachtree Street, Suite 54300
Atlanta, GA 30375

for Floyd R. Self

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition of BellSouth Telecommunications, Inc. for Relief from Carrier-of-Last-Resort Obligations Pursuant to Florida Statutes §364.025(6)(d).	DOCKET NO. 060822-TL

NOCATEE DEVELOPMENT COMPANY, SONOC COMPANY, LLC, TOLL JACKSONVILLE LIMITED PARTNERSHIP, PULTE HOME CORPORATION AND PARC GROUP, INC.'S RESPONSES TO BELLSOUTH TELECOMMUNICATIONS, INC.'S D/B/A AT&T FLORIDA FIRST REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 1 - 2)

COMES NOW, Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc. ("Nocatee") and in response to BellSouth Telecommunications, Inc.'s d/b/a AT&T Florida's ("AT&T Florida") First Request for Production of Documents (No. 1 - 2) states as follows:

REQUESTS FOR PRODUCTION OF DOCUMENTS

1. Any and all documents produced by Nocatee to the Staff of the Florida Public Service Commission in this docket at any point in time.

NOCATEE'S RESPONSE: Subject to the terms and conditions of a Protective Agreement between Nocatee and AT&T and without waiving any claim of confidentiality, copies of documents provided to Staff are attached in "clean" and redacted versions.

2. Any and all responses by Nocatee to the Staff of the Florida Public Service Commission's Data Requests in this docket at any point in time.

NOCATEE'S RESPONSE: See Response to Item 1.

Respectfully submitted this 11th day of June, 2007.

Floyd R. Self
Messer, Caparello & Self, P.A.
P.O. Box 15579
Tallahassee, FL 32317
(850) 222-0720

Attorneys for Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc.

M C
S

MESSER CAPARELLO & SELF, P.A.

Attorneys At Law

www.lawfla.com

2007 JUL -2 AM 10:36

DIVISION OF COMPETITIVE SERVICES

June 29, 2007

BY ELECTRONIC FILING
Ms. Ann Cole, Director
Commission Clerk and Administrative Services
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket No. 060822-TL

Dear Ms. Cole:

Enclosed for filing on behalf of Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc. ("Nocatee") is Nocatee's Notice of Service of its Responses to BellSouth Telecommunications, Inc. d/b/a AT&T Florida's First Request for Admissions (Nos. 1-20) and Second Request for Production of Documents (Nos. 3-10).

Thank you for your assistance with this filing.

Sincerely,

Floyd R. Self

FRS/amb
Enclosure
cc: Lynn Pappas, Esq.
Parties of Record

000389

Regional Center Office Park / 2618 Centennial Place / Tallahassee, Florida 32308
Mailing Address: P.O. Box 15579 / Tallahassee, Florida 32317
Main Telephone: (850) 222-0720 / *Fax:* (850) 224-4359

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of BellSouth Telecommunications, Inc. for Relief from Carrier-of-Last-Resort Obligations Pursuant to Florida Statutes §364.025(6)(d).	DOCKET NO. 060822-TL DATE FILED: June 29, 2007

2007 JUL -2 AM 10:38
COMMISSION OF COMPETITIVE SERVICES

NOCATEE DEVELOPMENT COMPANY, SONOC COMPANY, LLC, TOLL JACKSONVILLE LIMITED PARTNERSHIP, PULTE HOME CORPORATION AND PARC GROUP, INC.'S NOTICE OF SERVICE OF RESPONSES TO BELLSOUTH TELECOMMUNICATIONS, INC.'S D/B/A AT&T FLORIDA FIRST REQUEST FOR ADMISSIONS (NOS. 1-20) AND SECOND REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 3-10)

Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc. ("Nocatee") by and through its undersigned counsel, hereby files and serves Notice that it has served its Responses to BellSouth Telecommunications, Inc.'s d/b/a AT&T Florida's ("AT&T") First Request for Admissions (Nos.1-20) and Second Request for Production of Documents (Nos. 3-10) by e-mail to Ms. Nancy Sims at nancy.sims@bellsouth.com and U. S. Mail on Manuel A. Gurdian, Esq., c/o Ms. Nancy Sims, AT&T Florida, 150 South Monroe Street, Suite 400, Tallahassee, Florida 32301 on this 29th day of June, 2006.

FLOYD R. SELF
MESSER, CAPARELLO & SELF, P. A.
Post Office Box 15579
Tallahassee, FL 32317
(850) 222-0720

Attorneys for Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc.

000390

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served on the following parties by Electronic Mail (*) and/or U.S. Mail this 29th day of June, 2007.

H. F. Mann, Esq.
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Patrick Wiggins, Esq.
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Mr. Dale Buys
Division of Competitive Markets and
Enforcement
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

James Meza III*
Michael Gurdian
Tracy Hatch
c/o Nancy H. Sims
AT&T Florida
150 South Monroe Street, Suite 400
Tallahassee, FL 32301

E. Earl Edenfield
AT&T Southeast
675 West Peachtree Street, Suite 54300
Atlanta, GA 30375

Floyd R. Self

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition of BellSouth Telecommunications, Inc. for Relief from Carrier-of-Last-Resort Obligations Pursuant to Florida Statutes §364.025(6)(d).	DOCKET NO. 060822-TL

NOCATEE DEVELOPMENT COMPANY, SONOC COMPANY, LLC, TOLL JACKSONVILLE LIMITED PARTNERSHIP, PULTE HOME CORPORATION AND PARC GROUP, INC.'S RESPONSES TO BELLSOUTH TELECOMMUNICATIONS, INC.'S D/B/A AT&T FLORIDA FIRST REQUEST FOR ADMISSIONS (NOS. 1-20)

COMES NOW, Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc. ("Nocatee") and in response to BellSouth Telecommunications, Inc.'s d/b/a AT&T Florida's ("AT&T Florida") First Request for Admissions states as follows:

REQUESTS FOR ADMISSIONS

1. Admit that Nocatee has entered into an exclusive service agreement with Comcast for the provision of video/cable services to the Riverwood and Coastal Oaks subdivisions with the Nocatee development.

NOCATEE'S RESPONSE: Deny.

2. Admit that Nocatee has entered into an exclusive service agreement with Comcast for the provision of data services to the Riverwood and Coastal Oaks subdivisions within the Nocatee development.

NOCATEE'S RESPONSE: Deny.

3. Admit that Nocatee has entered into exclusive marketing agreement with Comcast for the provision of voice services to the Riverwood and Coastal Oaks subdivisions within the Nocatee development.

NOCATEE'S RESPONSE: Admit.

4. Admit that Comcast has or will provide financial consideration or compensation to Nocatee in return for the exclusive right to provide voice, data, and video service to the Riverwood and Coastal Oaks subdivisions within the Nocatee development.

NOCATEE'S RESPONSE: Admit.

5. Admit that Comcast has or will provide financial consideration or compensation to Nocatee in return for the exclusive right to provide data service to the Riverwood and Coastal Oaks subdivisions within the Nocatee development.

NOCATEE'S RESPONSE: Deny.

6. Admit that Comcast has or will provide financial consideration or compensation to Nocatee in return for the exclusive right to provide video or cable service to the Riverwood and Coastal Oaks subdivisions within the Nocatee development.

NOCATEE'S RESPONSE: Deny.

7. Admit that Comcast has or will provide financial consideration or compensation to Nocatee in return for the exclusive right to market its voice service to the Riverwood and Coastal Oaks subdivisions within the Nocatee development.

NOCATEE'S RESPONSE: Admit.

8. Admit that the form of easement proposed by Nocatee to AT&T Florida for the Riverwood and Coastal Oaks subdivisions provides as follows: "It is understood that Grantee may use the wires and facilities installed under this Easement for any type of voice service only and the rights granted herein shall specifically exclude the delivery of internet/data services

and/or video/television services or telecommunications services other than voice service by grantee."

NOCATEE'S RESPONSE: Admit.

9. Admit that Comcast will be able to offer its "triple-play" of voice, data, and video/cable services to the residents of the Riverwood and Coastal Oaks subdivisions within the Nocatee development.

NOCATEE'S RESPONSE: Admit.

10. Admit that 1028 homes will be constructed in total for the Riverwood subdivision in the Nocatee development.

NOCATEE'S RESPONSE: To our knowledge, admit.

11. Admit that 891 homes will be constructed in total for the Coastal Oaks subdivision in the Nocatee development.

NOCATEE'S RESPONSE: To our knowledge, admit.

12. Admit that 228 homes will be constructed in Areas 1-4 for the Riverwood subdivision in the Nocatee development.

NOCATEE'S RESPONSE: To our knowledge, admit.

13. Admit that 260 homes will be constructed in Phase I and 2a for the Coastal Oaks subdivision in the Nocatee development.

NOCATEE'S RESPONSE: To our knowledge, admit.

14. Admit that Comcast offers voice service in St. Johns County, Florida.

NOCATEE'S RESPONSE: Admit.

15. Admit that Comcast offers voice service in Duval County, Florida.

NOCATEE'S RESPONSE: Admit.

16. Admit that Comcast will offer voice service to residents in the Riverwood and Coastal Oaks subdivisions in the Nocatee development.

NOCATEE'S RESPONSE: To our knowledge, admit.

17. Admit that Nocatee has not reimbursed AT&T Florida the amount requested by AT&T Florida for the cost of deploying facilities to the Riverwood and Coastal Oaks subdivisions.

NOCATEE'S RESPONSE: Admit that AT&T Florida and Nocatee have not reached any financial agreement regarding service to Riverwood and Coastal Oaks, and so no financial consideration has been paid to AT&T Florida.

18. Admit that Comcast has a VoIP service that Comcast intends to offer in the Riverwood and Coastal Oaks subdivisions.

NOCATEE'S RESPONSE: Admit.

19. Admit that Comcast will be installing its own network to provide voice, data and video services within the Riverwood and Coastal Oaks subdivisions.

NOCATEE'S RESPONSE: Admit.

20. Admit that Nocatee has not made a counter-offer to AT&T Florida's May 8, 2007 request for payment of $443,935 for the deployment of facilities to Riverwood (Areas 1-4) and Coastal Oaks (Phases 1 and 2a).

NOCATEE'S RESPONSE: Admit that AT&T Florida and Nocatee have not reached any financial agreement regarding service to Riverwood and Coastal Oaks, but that consideration and analysis are ongoing.

Respectfully submitted this 29th day of June, 2007.

Floyd R. Self
Messer, Caparello & Self, P.A.
P.O. Box 15579
Tallahassee, FL 32317
(850) 222-0720

Attorneys for Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc.

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition of BellSouth Telecommunications, Inc. for Relief from Carrier-of-Last-Resort Obligations Pursuant to Florida Statutes §364.025(6)(d).	DOCKET NO. 060822-TL

NOCATEE DEVELOPMENT COMPANY, SONOC COMPANY, LLC, TOLL JACKSONVILLE LIMITED PARTNERSHIP, PULTE HOME CORPORATION AND PARC GROUP, INC.'S RESPONSES TO BELLSOUTH TELECOMMUNICATIONS, INC.'S D/B/A AT&T FLORIDA SECOND REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 3-10)

COMES NOW, Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc. ("Nocatee") and in response to BellSouth Telecommunications, Inc.'s d/b/a AT&T Florida's ("AT&T Florida") Second Request for Production of Documents (No. 3-10) states as follows:

REQUESTS FOR PRODUCTION OF DOCUMENTS

3. Any and all documents produced by Nocatee to the Staff of the Florida Public Service Commission in response to Staff's Request for Production dated June 19, 2007.

NOCATEE'S RESPONSE: Nocatee has already produced to AT&T copies of all materials provided to the FPSC Staff, so there are no further documents responsive to this request at this time.

4. Any and all documents which Nocatee reviewed, relied upon, support, evidence, pertain, or otherwise related to Nocatee's responses to AT&T Florida's First Request for Admissions.

NOCATEE'S RESPONSE: All documents responsive to this request have previously been provided and there are no further documents responsive to this request.

5. Any and all documents evidencing payments from Comcast to Nocatee as a result of agreements entered into between Comcast and Nocatee for the Nocatee development.

NOCATEE'S RESPONSE: There are no documents response to this request.

6. Any and all documents relating to the planned build-out phases for the Riverwood and Coastal Oaks subdivisions in the Nocatee development.

NOCATEE'S RESPONSE: Nocatee is continuing to review documents potentially responsive to this request and will provide a supplemental response as appropriate.

7. Any and all documents by and between Nocatee and Comcast regarding Comcast's provision of services within the Nocatee development.

NOCATEE'S RESPONSE: All documents responsive to this request have previously been provided and there are no further documents responsive to this request.

8. Any and all documents provided by Comcast to residents or prospective residents of the Nocatee development.

NOCATEE'S RESPONSE: All documents responsive to this request have previously been provided and there are not further documents responsive to this request.

9. Any and all documents regarding the provision of Comcast services supplied by Nocatee to residents or prospective residents of the Nocatee development.

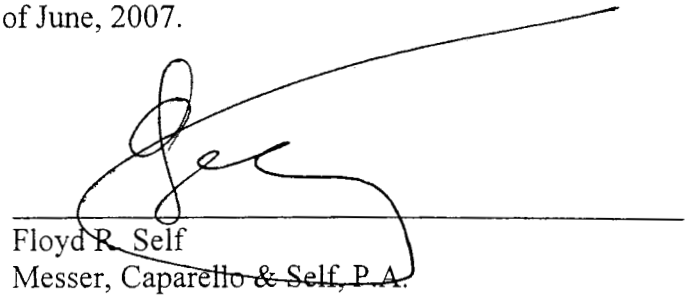
NOCATEE'S RESPONSE: All documents responsive to this request have previously been provided and there are not further documents responsive to this request.

10. Any and all documents regarding Nocatee's decision not to have an exclusive agreement with Comcast for the provision of voice services within the Nocatee development.

NOCATEE'S RESPONSE: Nocatee objects to this request to the extent it seeks information that is irrelevant to the subject matter of this proceeding and not otherwise likely to

lead to the discovery of admissible evidence. Subject to, and notwithstanding such objections, Nocatee states that there are no documents responsive to this request.

Respectfully submitted this 29th day of June, 2007.



Floyd R. Self
Messer, Caparello & Self, P.A.
P.O. Box 15579
Tallahassee, FL 32317
(850) 222-0720

Attorneys for Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc.

MESSER CAPARELLO & SELF, P.A.

Attorneys At Law

www.lawfla.com

2007 JUL 11 PM 1:39

COMMISSION CLERK
ADMINISTRATIVE SERVICES

July 10, 2007

BY ELECTRONIC FILING
Ms. Ann Cole, Director
Commission Clerk and Administrative Services
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket No. 060822-TL

Dear Ms. Cole:

Enclosed for filing on behalf of Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc. ("Nocatee") is Nocatee's Notice of Service of its Responses to BellSouth Telecommunications, Inc. d/b/a AT&T Florida's First Set of Interrogatories (Nos. 1-13), Second Request for Admissions (Nos. 21-29) and Third Request for Production of Documents (Nos. 11-15) in the above referenced docket.

Thank you for your assistance with this filing.

Sincerely,

Floyd R. Self

FRS/amb
Enclosure
cc: Lynn Pappas, Esq.
Parties of Record

000401

Regional Center Office Park / 2618 Centennial Place / Tallahassee, Florida 32308
Mailing Address: P.O. Box 15579 / Tallahassee, Florida 32317
Main Telephone: (850) 222-0720 / *Fax:* (850) 224-4359

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of BellSouth Telecommunications, Inc. for Relief from Carrier-of-Last-Resort Obligations Pursuant to Florida Statutes §364.025(6)(d).	DOCKET NO. 060822-TL DATE FILED: July 10, 2007

NOCATEE DEVELOPMENT COMPANY, SONOC COMPANY, LLC, TOLL JACKSONVILLE LIMITED PARTNERSHIP, PULTE HOME CORPORATION AND PARC GROUP, INC.'s NOTICE OF SERVICE OF RESPONSES TO BELLSOUTH TELECOMMUNICATIONS, INC.'S D/B/A AT&T FLORIDA'S FIRST SET OF INTERROGATORIES (NOS. 1-13), SECOND REQUEST FOR ADMISSIONS (NOS. 21-29), AND THIRD REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 11-15)

Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc. ("Nocatee") by and through its undersigned counsel, hereby files and serves Notice that it has served its Responses to BellSouth Telecommunications, Inc.'s d/b/a AT&T Florida's ("AT&T") First Set of Interrogatories (Nos. 1-13), Second Request for Admissions (Nos. 21-29) and Third Request for Production of Documents (Nos. 11-15) by e-mail to Ms. Nancy Sims at nancy.sims@bellsouth.com and U. S. Mail on Manuel A. Gurdian, Esq., c/o Ms. Nancy Sims, AT&T Florida, 150 South Monroe Street, Suite 400, Tallahassee, Florida 32301 on this 10th day of July, 2007.

FLOYD R. SELF
MESSER, CAPARELLO & SELF, P. A.
POST OFFICE BOX 15579
TALLAHASSEE, FL 32317
(850) 222-0720

Attorneys for Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served on the following parties by Electronic Mail (*) and/or U.S. Mail this 10th day of July, 2007.

H. F. Mann, Esq.
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Patrick Wiggins, Esq.
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Mr. Dale Buys
Division of Competitive Markets and
Enforcement
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

James Meza III*
Michael Gurdian
Tracy Hatch
c/o Nancy H. Sims
AT&T Florida
150 South Monroe Street, Suite 400
Tallahassee, FL 32301
nancy.sims@bellsouth.com

E. Earl Edenfield
AT&T Southeast
675 West Peachtree Street, Suite 54300
Atlanta, GA 30375

Floyd R. Self

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition of BellSouth Telecommunications, Inc. for Relief from Carrier-of-Last-Resort Obligations Pursuant to Florida Statutes §364.025(6)(d).	DOCKET NO. 060822-TL

NOCATEE DEVELOPMENT COMPANY, SONOC COMPANY, LLC, TOLL JACKSONVILLE LIMITED PARTNERSHIP, PULTE HOME CORPORATION AND PARC GROUP, INC.'S RESPONSES TO BELLSOUTH TELECOMMUNICATIONS, INC.'S D/B/A AT&T FLORIDA FIRST SET OF INTERROGATORIES (NOS. 1-13)

COMES NOW, Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc. ("Nocatee") and in response to BellSouth Telecommunications, Inc.'s d/b/a AT&T Florida's ("AT&T Florida") First Set of Interrogatories (Nos. 1-13) states as follows:

INTERROGATORIES

1. Please state each reason and the basis for Nocatee denying AT&T Florida's Request for Admissions No. 1. In answering this interrogatory, please identify all sources of your knowledge and identify all documents that you reviewed and relied upon in order to deny the referenced Request for Admission.

NOCATEE'S RESPONSE: The requested admission was denied because of the use of the word "exclusive" in the statement. The Comcast documents are not exclusive service arrangements. Normally an "exclusive" agreement is a contractual obligation enforceable by the benefited party that unconditionally restricts a party from granting some competing use. The Comcast documents do not require that Comcast's facilities be the only or exclusive data or video facilities installed within the private communities nor do they prohibit the installation of

network or facilities by another provider. This is why the proposed easements for AT&T do not restrict the types of facilities AT&T can install in the private communities. Thus, the agreement with Comcast is structured so that Comcast pays compensation in certain instances for its right to install network and facilities and to market its service to home buyers. However, Comcast has the ability to opt out of the agreement if the developer grants an easement to a competing services provider, but this is an option that Comcast may or may not exercise depending upon the types of easements the developer grants, and Nocatee cannot speak for whether or under what circumstances Comcast would or would not elect to exercise its opt out option: In this case, therefore, we have proposed that the easement for AT&T thus prohibit AT&T from offering video or data services over any network or other facilities it installs in the private communities. This type of easement would not trigger the opt out language for Comcast. The only documents relied upon are the three documents already provided in this matter, i.e., the Compensation Agreement, the Installation and Services Agreement, and the Marketing Support Addendum.

2. Please state each reason and the basis for Nocatee denying AT&T Florida's Request for Admissions No. 2. In answering this interrogatory, please identify all sources of your knowledge and identify all documents that you reviewed and relied upon in order to deny the referenced Request for Admission.

NOCATEE'S RESPONSE: See the response to Interrogatory No. 1.

3. Please state each reason and the basis for Nocatee denying AT&T Florida's Request for Admissions No. 5. In answering this interrogatory, please identify all sources of your knowledge and identify all documents that you reviewed and relied upon in order to deny the referenced Request for Admission.

NOCATEE'S RESPONSE: See the response to Interrogatory No. 1.

4. Please state each reason and the basis for Nocatee denying AT&T Florida's Request for Admissions No. 6. In answering this interrogatory, please identify all sources of your knowledge and identify all documents that you reviewed and relied upon in order to deny the referenced Request for Admission.

NOCATEE'S RESPONSE: See the response to Interrogatory No. 1.

5. If you deny AT&T Florida's Request for Admissions No. 21, please state each reason and the basis for Nocatee denying AT&T Florida's Request for Admissions No. 21. In answering this interrogatory, please identify all sources of your knowledge and identify all documents that you reviewed and relied upon in order to deny the referenced Request for Admission.

NOCATEE'S RESPONSE: No response necessary since the Admission was admitted.

6. If you deny AT&T Florida's Request for Admissions No. 22, please state each reason and the basis for Nocatee denying AT&T Florida's Request for Admissions No. 22. In answering this interrogatory, please identify all sources of your knowledge and identify all documents that you reviewed and relied upon in order to deny the referenced Request for Admission.

NOCATEE'S RESPONSE: No response necessary since the Admission was admitted.

7. If you deny AT&T Florida's Request for Admissions No. 23, please state each reason and the basis for Nocatee denying AT&T Florida's Request for Admissions No. 23. In answering this interrogatory, please identify all sources of your knowledge and identify all documents that you reviewed and relied upon in order to deny the referenced Request for Admission.

NOCATEE'S RESPONSE: No response necessary since the Admission was admitted.

8. If you deny AT&T Florida's Request for Admissions No. 24, please state each reason and the basis for Nocatee denying AT&T Florida's Request for Admissions No. 24. In answering this interrogatory, please identify all sources of your knowledge and identify all documents that you reviewed and relied upon in order to deny the referenced Request for Admission.

NOCATEE'S RESPONSE: No response necessary since the Admission was admitted.

9. If you deny AT&T Florida's Request for Admissions No. 25, please state each reason and the basis for Nocatee denying AT&T Florida's Request for Admissions No. 25. In answering this interrogatory, please identify all sources of your knowledge and identify all documents that you reviewed and relied upon in order to deny the referenced Request for Admission.

NOCATEE'S RESPONSE: No response necessary since the Admission was admitted.

10. If you deny AT&T Florida's Request for Admissions No. 26, please state each reason and the basis for Nocatee denying AT&T Florida's Request for Admissions No. 26. In answering this interrogatory, please identify all sources of your knowledge and identify all documents that you reviewed and relied upon in order to deny the referenced Request for Admission.

NOCATEE'S RESPONSE: No response necessary since the Admission was admitted.

11. If you deny AT&T Florida's Request for Admissions No. 27, please state each reason and the basis for Nocatee denying AT&T Florida's Request for Admissions No. 27. In answering this interrogatory, please identify all sources of your knowledge and identify all documents that you reviewed and relied upon in order to deny the referenced Request for Admission.

NOCATEE'S RESPONSE: No response necessary since the Admission was admitted.

12. If you deny AT&T Florida's Request for Admissions No. 28, please state each reason and the basis for Nocatee denying AT&T Florida's Request for Admissions No. 28. In answering this interrogatory, please identify all sources of your knowledge and identify all documents that you reviewed and relied upon in order to deny the referenced Request for Admission.

NOCATEE'S RESPONSE: See the response to Interrogatory No. 1. In addition, it is possible that residents may choose to obtain satellite video/cable service or data services, which are not impacted by the agreements with Comcast. See, for example, section 8 of the Installation and Services Agreement. Similarly, cellular telephone providers are increasingly offering video and data services and residents may choose to obtain these services.

13. If you deny AT&T Florida's Request for Admissions No. 29, please state each reason and the basis for Nocatee denying AT&T Florida's Request for Admissions No. 29. In answering this interrogatory, please identify all sources of your knowledge and identify all documents that you reviewed and relied upon in order to deny the referenced Request for Admission.

NOCATEE'S RESPONSE: See the response to Interrogatory No. 12.

Respectfully submitted this 10th day of July, 2007.

Floyd R. Self
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P.O. Box 15579
Tallahassee, FL 32317
(850) 222-0720

Attorneys for Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc.

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition of BellSouth Telecommunications, Inc. for Relief from Carrier-of-Last-Resort Obligations Pursuant to Florida Statutes §364.025(6)(d).	DOCKET NO. 060822-TL

NOCATEE DEVELOPMENT COMPANY, SONOC COMPANY, LLC, TOLL JACKSONVILLE LIMITED PARTNERSHIP, PULTE HOME CORPORATION AND PARC GROUP, INC.'S RESPONSES TO BELLSOUTH TELECOMMUNICATIONS, INC.'S D/B/A AT&T FLORIDA SECOND REQUEST FOR ADMISSIONS (NOS. 21-29)

COMES NOW, Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc. ("Nocatee") and in response to BellSouth Telecommunications, Inc.'s d/b/a AT&T Florida's ("AT&T Florida") Second Request for Admissions (Nos. 21-29) states as follows:

REQUESTS FOR ADMISSIONS

21. Admit that Nocatee has entered into an agreement with Comcast for the provision of Comcast's Digital Cable service or other cable/video service to the Riverwood and Coastal Oaks subdivisions within the Nocatee development.

NOCATEE'S RESPONSE: Admit.

22. Admit that Nocatee has entered into an agreement with Comcast for the provision of Comcast's Data service to the Riverwood and Coastal Oaks subdivisions within the Nocatee development.

NOCATEE'S RESPONSE: Admit.

23. Admit that Comcast has or will provide financial consideration or compensation to Nocatee in return for the right to provide its Data service to the Riverwood and Coastal Oaks subdivisions within the Nocatee development.

NOCATEE'S RESPONSE: Admit.

24. Admit that Comcast has or will provide financial consideration or compensation to Nocatee in return for the exclusive right to provide its Digital Cable service or other cable/video service to the Riverwood and Coastal Oaks subdivisions within the Nocatee development.

NOCATEE'S RESPONSE: Admit.

25. Admit that Comcast has or will provide Nocatee a certain percentage "of all recurring revenues paid by subscribers" at the Riverwood and Coastal Oaks subdivisions within the Nocatee development "for Voice, Data and Video services" pursuant to an agreement between Nocatee and Comcast.

NOCATEE'S RESPONSE: Admit that under the Marketing Support Addendum a percentage of recurring revenues may be paid for "for Voice, Data and Video services" but that the percentage may be zero.

26. Admit that Comcast has agreed to pay Nocatee "a per unit fee... for each residential unit within" the Nocatee development "as to which a Certificate of Occupancy or equivalent certification has been issued (the "Per Unit Compensation")" pursuant to an agreement between Nocatee and Comcast.

NOCATEE'S RESPONSE: Admit.

27. Admit that the documents produced by Nocatee in response to AT&T Florida's First Request for Production are true, correct, authentic and genuine copies of the agreements between Nocatee and Comcast for the Nocatee development.

NOCATEE'S RESPONSE: Admit.

28. Admit that the residents of the Riverwood and Coastal Oaks subdivisions within the Nocatee development will only be able to receive video/cable service or Data service from Comcast.

NOCATEE'S RESPONSE: Deny.

29. Admit that the residents of the Riverwood and Coastal Oaks subdivisions within the Nocatee development will only be able to receive non-satellite originated video/cable service or Data service from Comcast.

NOCATEE'S RESPONSE: Deny.

Respectfully submitted this 10th day of July, 2007.

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Tallahassee, FL 32317
(850) 222-0720

Attorneys for Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc.

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition of BellSouth Telecommunications, Inc. for Relief from Carrier-of-Last-Resort Obligations Pursuant to Florida Statutes §364.025(6)(d).	DOCKET NO. 060822-TL

NOCATEE DEVELOPMENT COMPANY, SONOC COMPANY, LLC, TOLL JACKSONVILLE LIMITED PARTNERSHIP, PULTE HOME CORPORATION AND PARC GROUP, INC.'S OBJECTIONS AND RESPONSES TO BELLSOUTH TELECOMMUNICATIONS, INC.'S D/B/A AT&T FLORIDA THIRD REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 11-15)

COMES NOW, Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc. ("Nocatee") and in response to BellSouth Telecommunications, Inc.'s d/b/a AT&T Florida's ("AT&T Florida") Third Request for Production of Documents (Nos. 11-15) states as follows:

REQUESTS FOR PRODUCTION OF DOCUMENTS

11. Any and all documents which Nocatee reviewed, relied upon, support, evidence, pertain, or otherwise related to Nocatee's responses to AT&T Florida's Second Request for Admissions.

NOCATEE'S RESPONSE: The only documents relied upon are the three documents already provided in this matter, i.e., the Compensation Agreement, the Installation and Services Agreement, and the Marketing Support Addendum.

12. Any and all documents which Nocatee reviewed, relied upon, support, evidence, pertain, or otherwise related to Nocatee's responses to AT&T Florida's First Set of Interrogatories.

NOCATEE'S RESPONSE: The only documents relied upon are the three documents already provided in this matter, i.e., the Compensation Agreement, the Installation and Services Agreement, and the Marketing Support Addendum.

13. Any and all correspondence and emails by and between Comcast and Nocatee related to Comcast's provision of any of type of service within the Nocatee development.

NOCATEE'S RESPONSE: Nocatee objects to this request as it is seeking information that is not relevant or likely to lead to the discovery of admissible relevant information. Any and all correspondence, documents, drafts, discussions, or other materials and information exchanged by and between Nocatee and Comcast prior to the execution of the Compensation Agreement, the Installation and Services Agreement, and the Marketing Support Addendum are subsumed within and merged into these documents. Thus, such materials are completely irrelevant as to whether AT&T's petition for relief from the carrier or last resort obligation should be granted or how much compensation, if any, may be due to AT&T in order to provide service to the Riverwood and Coastal Oaks communities. In addition, this request is overly broad and unfairly burdensome, and it would be excessively time consuming to search through databases and email programs to locate any emails or other materials that may be responsive to this request, and even if they were readily available production of them would not provide any useful, meaningful, or relevant information. Further, Nocatee objects to this request to the extent it seeks documents or information protected by the attorney-client privilege, the attorney work-product doctrine, or any other applicable privileges or doctrines.

Without waiving and subject to the foregoing objections, Nocatee states the following: Subsequent to the execution of the three documents, it was determined that Nocatee may be construed as being in violation of Section 13.4 of the Installation and Services Agreement if Nocatee were to grant an easement on private land within a public community. For example, if

in order for AT&T to install its network in the public communities it needed an easement on private land (i.e., not in the public right of way) for the placement of a remote terminal or pedestal, such a grant could be construed under Section 13.4 as triggering an option for Comcast to terminate the agreement. As a consequence of this concern, the parties adopted an amendment to the agreement. Copies of the unexecuted amendment and a draft of the amendment are being produced. Nocatee otherwise objects to producing any emails or other correspondence related to this amendment. Given the short turnaround time on discovery responses, Nocatee was unable to obtain an executed copy of this amendment in time for this production. However, Nocatee will produce an executed copy of the amendment as soon as is possible.

14. Any and all documents, correspondence and emails by and between Nocatee related to Comcast's provision of any type of service within the Nocatee development.

NOCATEE'S RESPONSE: See the response to POD No. 13.

15. Any and all documents evidencing or relating to the information Comcast or Nocatee is providing to any current, future, or potential resident of the Riverwood and Coastal Oaks subdivisions within Nocatee regarding any service that Comcast will be offering in those subdivisions.

NOCATEE'S RESPONSE: All of the documents responsive to this request have previously been provided. There are no additional responsive documents.

Respectfully submitted this 10th day of July, 2007.

Floyd R. Self
Messer, Caparello & Self, P.A.
P.O. Box 15579
Tallahassee, FL 32317

Attorneys for Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc.

FIRST AMENDMENT TO

INSTALLATION AND SERVICES AGREEMENT

THIS FIRST AMENDMENT (this "Amendment") is made and entered into this _____ day of _____, 2007, by and between **COMCAST OF GREATER FLORIDA / GEORGIA, INC.** (the "Company") and **SONOC COMPANY, LLC** (the "Owner").

WHEREAS, the Company and Owner entered into that certain Installation and Services Agreement dated June 2, 2006 (the "Agreement"); and

WHEREAS, the parties wish to enter into this Amendment to make certain changes to the Agreement.

NOW, THEREFORE, for good and valuable consideration, the parties, intending to be legally bound, agree as follows:

1. **Capitalized Terms**. Capitalized terms not defined herein shall have the meaning ascribed thereto in the Agreement.

2. **Other Provider**. Section 13.4, clause (i) of the Agreement is hereby deleted and the following is inserted in lieu thereof:

> "(i) obtain the right of access by grant of private easement for the purpose of service to any portion of the Premises which are served by roadways which are not dedicated as rights of way open to the general public; and"

3. **Ratification**. The parties hereby ratify and confirm the Agreement, as amended hereby, and agree that it is in full force and effect.

4. **Counterparts**. This Amendment may be executed by the parties individually or in combination in one or more counterparts, each of which shall be an original, and all of which shall constitute one and the same instrument. Facsimile or pdf signatures on this Amendment shall have the same force and effect as originals.

{This space left blank intentionally}

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their duly authorized representatives as of the date first written above.

OWNER:

SONOC COMPANY, LLC

By: _____

Name: _____

Title: _____

COMPANY:

COMCAST OF GREATER FLORIDA/GEORGIA, INC.

By: _____

Name: _____

Title: _____

FIRST AMENDMENT TO

INSTALLATION AND SERVICES AGREEMENT

THIS FIRST AMENDMENT (this "Amendment") is made and entered into this _____ day of _____, 2007, by and between **COMCAST OF GREATER FLORIDA / GEORGIA, INC.** (the "Company") and **SONOC COMPANY, LLC** (the "Owner").

WHEREAS, the Company and Owner entered into that certain Installation and Services Agreement dated June 2, 2006 (the "Agreement"); and

WHEREAS, the parties wish to enter into this Amendment to make certain changes to the Agreement.

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2. **Other Provider**. Section 13.4, clause (i) of the Agreement is hereby deleted and the following is inserted in lieu thereof:

> "(i) obtain the right of access by grant of private easement ~~in~~for the purpose of service to any portion of the Premises which are served by roadways which are not dedicated as rights of way open to the general public; and"

3. **Ratification**. The parties hereby ratify and confirm the Agreement, as amended hereby, and agree that it is in full force and effect.

4. **Counterparts**. This Amendment may be executed by the parties individually or in combination in one or more counterparts, each of which shall be an original, and all of which shall constitute one and the same instrument. Facsimile or pdf signatures on this Amendment shall have the same force and effect as originals.

{This space left blank intentionally}

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their duly authorized representatives as of the date first written above.

OWNER:

SONOC COMPANY, LLC

By: _____

Name: _____

Title: _____

000420

COMPANY:

COMCAST OF GREATER FLORIDA/GEORGIA, INC.

By: _____

Name: _____

Title: _____

000421

Document comparison done by DeltaView on Monday, March 12, 2007 10:48:52 AM

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Legend:	
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BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition for relief from carrier-of-last-resort (COLR) obligations pursuant to Florida Statutes 364.025(6)(d) for two private subdivisions in Nocatee development, by BellSouth Telecommunications, Inc.	DOCKET NO. 060822-TL DATED: JULY 11, 2007

NOCATEE'S RESPONSE TO AT&T FLORIDA'S
JULY 10, 2007 REQUEST FOR CLARIFICATION AND OBJECTIONS

In response to AT&T Florida's Objections and Request for Clarification to Nocatee's First Set of Interrogatories and Second Request for Production of Documents, filed July 10, 2007, Nocatee states as follows:

Interrogatory No. 2.

With respect to the request to clarify, there was a typographical error. The word "over" should have been "offer" as suggested by AT&T.

With respect to the objection, the interrogatory may be answered from an engineering or business standpoint.

Interrogatory No. 3 and Production of Documents No. 4.

With respect to the objection to the interrogatory, Nocatee modifies this interrogatory to read as follows:

> In discussions between the parties, AT&T has proposed the deployment of a fiber-to-the-curb (FTTC) architecture instead of a fiber-to-the-node (FTTN) architecture. (a) Is the network cost information that AT&T has proposed in this docket based upon a FTTC or an FTTN architecture? (b) Please identify and explain the characteristics of a FTTN architecture. (c) Please identify and explain the characteristics of a FTTC architecture. (d) If the network cost information provided by AT&T in this docket is based upon an FTTC architecture, has AT&T considered deploying a FTTN architecture to the Riverwood and Coastal Oaks communities? (e) Please describe the substance of any consideration of deploying a FTTN architecture for the private communities, if any, versus a FTTC architecture. (f) In general terms, identify and explain the

cost differences between a FTTN architecture and a FTTC architecture. (g) Identify and describe the costs associated with a FTTN versus a FTTC architecture separately each for the Riverwood and Coastal Oaks communities.

Please advise if AT&T still objects to answering this interrogatory as modified. With respect to the interrogatory as modified, the network AT&T is proposing for the Riverwood and Coastal Oaks communities is highly relevant to these proceedings as the network AT&T is proposing has a direct and proximate impact on the costs that AT&T are seeking to recover from Nocatee. Likewise, the cost documentation being sought in the POD request similarly go to the network design and cost recovery in the AT&T case. If this information is not provided, then Nocatee and the Commission will be unable to determine the reasonableness of the network and costs. If AT&T further objects to this interrogatory as modified and the POD request, then Nocatee will file the appropriate motion a summary final order or for an order to strike any testimony or other evidence offered by AT&T in support of its petition relating to the network architecture it is proposing for the Riverwood and Coastal Oaks communities and any cost information for which it is seeking recovery from Nocatee.

Interrogatory No. 4.

With respect to the objection, Nocatee modifies this interrogatory to read as follows:

What is the AT&T policy or business position, if there is one, to address the following situation: In the event that the Florida Public Service Commission determines that AT&T is to be relieved of its COLR requirements in the Riverwood and Coastal Oaks communities, discuss and describe how will AT&T respond to the request for voice telephone service from AT&T made by a potential customer that is a resident and homeowner in one of these communities.

Please advise if AT&T still objects to answering this interrogatory as modified. By agreement of the parties, the issue of who may pay for what is subsumed within Issue 1 in this proceeding. AT&T's petition in this docket seeks relief from the carrier-of-last-resort obligation for the Riverwood and Coastal Oaks communities. AT&T's prefiled testimony contains very specific

information regarding how it proposes to deal with Nocatee in the event its petition is granted, including a price tag on how much Nocatee can pay to AT&T in order for it to build a network in these two communities. Given AT&T's proposal, it seems hard to believe that AT&T has not considered how it will deal with homeowner potential customers within these two communities in the event its petition is granted. Nocatee acknowledges that while it is possible that AT&T has not considered the homeowners, it just seems unlikely. However, if no such consideration of the homeowners has been made by AT&T, then AT&T may so respond to the interrogatory as modified.

Interrogatory No. 5.

> With respect to the objection, Nocatee modifies this interrogatory to read as follows:
>
> What is the AT&T policy or business position, if there is one, to address the following situation: (a) Assuming that the COLR obligation has been waived for the Riverwood and Coastal Oaks communities and there has been no financial compensation paid by Nocatee or any other developer within Nocatee to AT&T, how much will AT&T charge a residential customer requesting voice telephone service from AT&T within either of these communities? (b) How will such charges be calculated? (c) What will be the amount of such charges? (d) If AT&T refuses to provide service at all within Riverwood or Coastal Oaks, how many requests must be received by AT&T, or what other factors or events must occur, before AT&T will provide service to the residents of Riverwood or Coastal Oaks?

Please advise if AT&T still objects to answering this interrogatory as modified. By agreement of the parties, the issue of who may pay for what is subsumed within Issue 1 in this proceeding. AT&T's prefiled testimony addresses a proposal for the recovery of certain costs from Nocatee. This question is consistent with the "who may pay for what" issue in the event it is determined that Nocatee is not required to pay AT&T or Nocatee elects to not pay any network construction charges. In addition, the question is consistent with the entire thrust of AT&T's petition and how AT&T will address customer requests in the event AT&T's petition is granted. If AT&T has not

considered how it will address homeowner requests for service from residents of these two communities, then AT&T may state as such. However, if AT&T further objects to this interrogatory as modified on the grounds of relevance, then Nocatee will file the appropriate motion a summary final order or for an order to strike any testimony or other evidence offered by AT&T in support of its petition relating regarding cost information.

Interrogatory No. 6.

With respect to the objection, Nocatee modifies this interrogatory to read as follows:

> What is the AT&T policy or business position, if there is one, to address the following situation: (a) Assuming that the COLR obligation has not been waived for the Riverwood and Coastal Oaks communities and there has been no financial compensation paid by Nocatee or any other developer within Nocatee to AT&T, how much will AT&T charge a residential customer requesting voice telephone service from AT&T within either of these communities? (b) How will such charges be calculated? (c) What will be the amount of such charges? (d) If AT&T refuses to provide service at all within Riverwood or Coastal Oaks, how many requests must be received by AT&T, or what other factors or events must occur, before AT&T will provide service to the residents of Riverwood or Coastal Oaks?

Please advise if AT&T still objects to answering this interrogatory as modified. By agreement of the parties, the issue of who may pay for what is subsumed within Issue 1 in this proceeding. AT&T's prefiled testimony addresses a proposal for the recovery of certain costs from Nocatee. This question is consistent with the "who may pay for what" issue in the event it is determined that Nocatee is not required to pay AT&T or Nocatee elects to not pay any network construction charges. In addition, the question is consistent with the entire thrust of AT&T's petition and how AT&T will address customer requests in the event AT&T's petition is granted. If AT&T has not considered how it will address homeowner requests for service from residents of these two communities, then AT&T may state as such. However, if AT&T further objects to this interrogatory as modified on the grounds of relevance, then Nocatee will file the appropriate

motion a summary final order or for an order to strike any testimony or other evidence offered by AT&T in support of its petition relating regarding cost information.

Interrogatory Nos. 10 and 11.

With respect to the objection, Nocatee states as follows: These interrogatories are highly relevant to this proceeding. AT&T has prefiled testimony and offered other evidence in support of a 20% penetration rate for its services as a basis for the cost recovery that AT&T is seeking from Nocatee. Since this 20% is based upon AT&T's experience with other developers, Nocatee is entitled to seek information regarding AT&T's experience in the market, which would include other development project requests for service. In addition, since AT&T is relying upon its tariff as a basis for seeking financial compensation from Nocatee, Nocatee is entitled to seek information regarding AT&T's experience with other development projects in order to determine where the proposed application of the tariff to Nocatee is not being done in a discriminatory manner. Nocatee has requested information only for a limited period of time, the last 18 months, which would include an approximately equal period of time before and after the adoption of the statute for which AT&T is now seeking relief. If AT&T continues to object to these two interrogatories, then Nocatee will file the appropriate motion a summary final order or for an order to strike any testimony or other evidence offered by AT&T in support of its petition relating regarding cost information.

Please feel free to telephone with any further questions.

Respectfully submitted this 11 day of July, 2007.

Floyd R. Self, Esq.
MESSER, CAPARELLO & SELF, P.A.
P.O. Box 15579
Tallahassee, FL 32317
(850) 222-0720

Attorneys for Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served on the following parties by Electronic Mail (*) and/or U.S. Mail this 11th day of July, 2007.

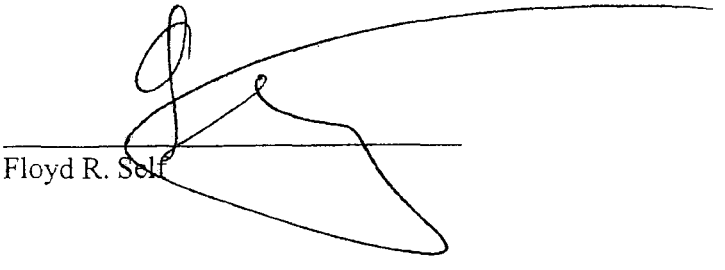
H. F. Mann, Esq.
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Patrick Wiggins, Esq.
Office of General Counsel
Florida Public Service Commission
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Mr. Dale Buys
Division of Competitive Markets and
Enforcement
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

James Meza III*
Michael Gurdian
Tracy Hatch
c/o Nancy H. Sims
AT&T Florida
150 South Monroe Street, Suite 400
Tallahassee, FL 32301
nancy.sims@bellsouth.com

E. Earl Edenfield
AT&T Southeast
675 West Peachtree Street, Suite 54300
Atlanta, GA 30375



Floyd R. Self

CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060822-7 EXHIBIT 7
COMPANY FL PSC Staff
WITNESS Stip-7 Confidential
DATE 07-24-07

CONFIDENTIAL EXHIBIT NO._____

DOCKET NO.: 060822-TL

WITNESS: N/A

PARTY: Staff

DESCRIPTION:

a. Nocatee's CONFIDENTIAL Responses to AT&T Florida's First Request for Production of Documents (Nos. 1-2), *(Copies of call CONFIDENTIAL documents provided to staff in Response to Staff Data Request NOC-1, same as EXH 5.)*

b. Nocatee's CONFIDENTIAL Supplemental Response to AT&T Florida's Second Request for Production of Documents (No. 10)

PROFFERING PARTY: Staff

I.D. No. STIP-7

EXHIBIT NO._____

DOCKET NO.: 060822-TL

WITNESS: N/A

PARTY: Staff

DESCRIPTION:

Composite of AT&T Florida's Responses to Nocatee Discovery

a. AT&T Florida's Response to Nocatee's First Request for Production of Documents (Nos. 1-2);

b. AT&T Florida's Responses to Nocatee's First Set of Interrogatories (Nos. 1-11) and Second Request for Production of Documents (Nos. 3-4).

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060822-TL EXHIBIT 8
COMPANY FL PSC Staff
WITNESS Stip-8
DATE 07-24-07

PROFFERING PARTY: Staff

I.D. No. STIP-8

Manuel A. Gurdian
Attorney

AT&T Florida
150 South Monroe Street
Room 400
Tallahassee, Florida 32301
(305) 347-5561

June 13, 2007

Floyd R. Self
Messer Caparello & Self, P.A.
Regional Center Office Park
2618 Centennial Place
P.O. Box 15579 (32317)
Tallahassee, FL 32308

Re: Docket No.: 060822-TL
Petition of BellSouth Telecommunications, Inc. for Relief from Carrier-of-Last-Resort Obligations (COLR) Pursuant to Florida Statutes §364.025(6)(d) for two private subdivisions in Nocatee development

Dear Mr. Self:

Enclosed are BellSouth Telecommunications, Inc. d/b/a AT&T Florida's Responses to Nocatee's First Request for Production of Documents in the captioned docket.

Sincerely,

Manuel A. Gurdian

Enclosures

cc: All Parties of Record
Jerry D. Hendrix
E. Earl Edenfield, Jr.
James Meza III

CERTIFICATE OF SERVICE
Docket No. 060822-TL

I HEREBY CERTIFY that a true and correct copy was served via (*) Electronic Mail (**) Federal Express and First Class U. S. Mail this 13th day of June, 2007 to the following:

Florida Public Service Commission
Patrick Wiggins, Staff Counsel (*)
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
(850) 413-6212
pwiggins@psc.state.fl.us

Nocatee Development Company
Attention: Richard T. Ray
4314 Pablo Oaks Court
Jacksonville, Florida 32224

Anne T. Klinepeter, Registered Agent
4314 Pablo Oaks Court
Jacksonsville, FL 32224

The Parc Group, Inc.
Attention: Richard T. Ray
4314 Pablo Oaks Court
Jacksonville, Florida 32224

Anne T. Klinepeter, Registered Agent
4314 Pablo Oaks Court
Jacksonsville, FL 32224

SONOC Company, LLC
Attention: Richard T. Ray
4310 Pablo Oaks Court
Jacksonville, Florida 32224

DDI, Inc., Registered Agent
4310 Pablo Oaks Court
Jacksonville, FL 32224

Toll Jacksonville Limited Partnership
250 Gibraltar Road
Horsham, PA 19044

CT Corporation System, Registered Agent
1200 South Pine Island Road
Plantation, FL 33324

Pulte Home Corporation
100 Bloomfield Hills Parkway
Suite 300
Bloomfield Hills, MI 48304

CT Corporation System, Registered Agent
1200 South Pine Island Road
Plantation, FL 33324

Nocatee Development Company/SONOC Company LLC
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lpapas@papnet.com

Floyd R. Self (*) (**) **(+)**
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fself@lawfla.com
Represents Nocatee

Manuel A. Gurdian

(+) Signed Protective Agreement

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of BellSouth for Relief from Carrier-of-Last-Resort Obligations Pursuant To Florida Statutes §364.025(6)(d)	)	Docket No: 060822-TL Filed: June 13, 2007

AT&T FLORIDA'S RESPONSES AND OBJECTIONS TO NOCATEE'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS

BellSouth Telecommunications, Inc. d/b/a AT&T Florida ("AT&T Florida"), pursuant to Rule 25-22.034, Florida Administrative Code, and Rules 1.280 and 1.340, Florida Rules of Civil Procedure, files its Responses and Objections to Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc. ("Nocatee's") First Request for Production of Documents (Nos. 1 and 2), dated June 6, 2007.

GENERAL OBJECTIONS

AT&T Florida makes the following General Objections to Nocatee's First Request for Production of Documents.

1. AT&T Florida objects to the requests to the extent they seek to impose an obligation on AT&T Florida to respond on behalf of subsidiaries, affiliates, or other persons that are not parties to this case on the grounds that such requests are overly broad, unduly burdensome, oppressive, and not permitted by applicable discovery rules.

2. AT&T Florida objects to the requests to the extent they are intended to apply to matters other than Florida intrastate operations subject to the jurisdiction of the Commission. AT&T Florida objects to such requests as being irrelevant, overly broad, unduly burdensome, and oppressive.

3. AT&T Florida objects to each and every request to the extent that such request calls for information which is exempt from discovery by virtue of the attorney-client privilege, work product privilege, or other applicable privilege.

4. AT&T Florida objects to each and every request insofar as the requests are vague, ambiguous, overly broad, imprecise, or utilizes terms that are subject to multiple interpretations but are not properly defined or explained for purposes of these requests. Any answers provided by AT&T Florida in response to the requests will be provided subject to, and without waiver of, the foregoing objection.

5. AT&T Florida objects to each and every request insofar as it is not reasonably calculated to lead to the discovery of admissible evidence and is not relevant to the subject matter of this action. AT&T Florida will attempt to note in its responses each instance where this objection applies.

6. AT&T Florida objects to providing information to the extent that such information is already in the public record before the Commission.

7. AT&T Florida objects to each and every request to the extent that the information requested constitutes "trade secrets" which are privileged pursuant to §90.506, *Florida Statutes*. AT&T Florida also objects to each and every request that would require the disclosure of customer specific information, the disclosure of which is prohibited by §364.24, *Florida Statutes*. To the extent that Nocatee's request ask for proprietary information that is not subject to the "trade secrets" privilege or to §364.24, AT&T Florida will make such information

available at a mutually agreeable time and place pursuant to a Motion for Protective Order, or subject to a Request for Confidential Classification.

8. AT&T Florida objects to the requests insofar as they seek to impose obligations on AT&T Florida that exceed the requirements of the Florida Rules of Civil Procedure or Florida Law.

9. AT&T Florida objects to each and every request, insofar as any of them is unduly burdensome, expensive, oppressive, or excessively time consuming as written.

SPECIFIC RESPONSES

REQUEST: Any and all documents produced by AT&T Florida to the Staff of the Florida Public Service Commission in this docket at any point in time.

RESPONSE: See AT&T Florida's response to Request for Documents, Item No. 2.

REQUEST: Any and all responses by AT&T Florida to the Staff of the Florida Public Service Commission in this docket at any point in time.

RESPONSE: Responsive documents are being provided. Confidential and proprietary documents are being provided subject to the terms of the non-disclosure agreement executed in this docket.

Respectfully submitted this 13th day of June, 2007.

BELLSOUTH TELECOMMUNICATIONS, INC. D/B/A AT&T FLORIDA

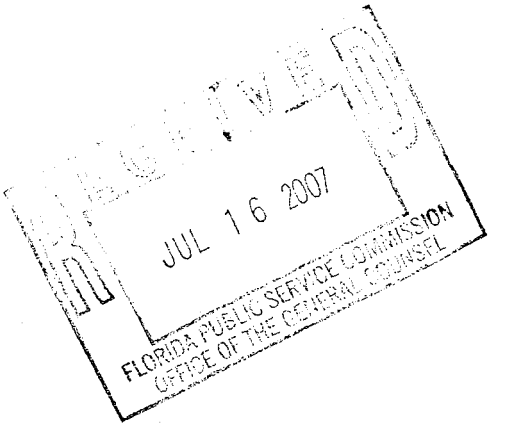
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AUTHORIZED HOUSE COUNSEL NO. 464260
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Manuel A. Gurdian
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July 13, 2007

Via Electronic Mail and Federal Express

Floyd R. Self
Messer Caparello & Self, P.A.
Regional Center Office Park
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P.O. Box 15579 (32317)
Tallahassee, FL 32308

Re: Docket No.: 060822-TL
Petition of BellSouth Telecommunications, Inc. for Relief from Carrier-of-Last-Resort Obligations (COLR) Pursuant to Florida Statutes §364.025(6)(d) for two private subdivisions in Nocatee development

Dear Mr. Self:

Enclosed is BellSouth Telecommunications, Inc. d/b/a AT&T Florida's Responses to Nocatee's First Set of Interrogatories and Second Request for Production of Documents in the captioned docket.

Sincerely,

Manuel A. Gurdian

Enclosures

cc: All Parties of Record
Jerry D. Hendrix
E. Earl Edenfield, Jr.
James Meza III

CERTIFICATE OF SERVICE
Docket No. 060822-TL

I HEREBY CERTIFY that a true and correct copy was served via (*) Electronic Mail, (**) Federal Express and First Class U. S. Mail this 13th day of July, 2007 to the following:

Florida Public Service Commission
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Rick Mann, Staff Counsel (*)(**)
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rmann@psc.state.fl.us

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Attention: Richard T. Ray
4314 Pablo Oaks Court
Jacksonville, Florida 32224

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Toll Jacksonville Limited Partnership
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Horsham, PA 19044

CT Corporation System, Registered Agent
1200 South Pine Island Road
Plantation, FL 33324

Pulte Home Corporation
c/o Jane Celofsky, Legal Dept.
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Bloomfield Hills, MI 48304

CT Corporation System, Registered Agent
1200 South Pine Island Road
Plantation, FL 33324

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Represents Nocatee

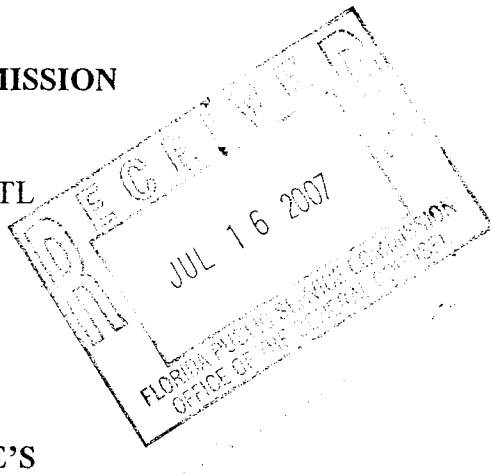
Manuel A. Gurdian

(+) Signed Protective Agreement

REDACTED

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE:	)	
	)	Docket No. 060822-TL
Petition of BellSouth Telecommunications, Inc. for Relief from Carrier-of-Last-Resort Obligations Pursuant to Florida Statutes §364.025(6)(d).	)	
	)	Filed: July 13, 2007



AT&T FLORIDA'S RESPONSE TO NOCATEE'S FIRST SET OF INTERROGATORIES AND SECOND REQUEST FOR PRODUCTION OF DOCUMENTS AS AMENDED

BellSouth Telecommunications, Inc. d/b/a AT&T Florida ("AT&T Florida"), pursuant to Florida Public Service Commission Order No. PSC-07-0473-PCO-TL and modified by Order No. PSC-07-0518-PCO-TL, hereby files its Response to Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc.'s (hereinafter collectively referred to as "Nocatee") First Set of Interrogatories and Second Request for Production of Documents, as amended, dated July 6 and 11, 2007, respectively.

GENERAL OBJECTIONS

1. AT&T FLORIDA objects to the Discovery to the extent it seeks to impose an obligation on AT&T FLORIDA to respond on behalf of subsidiaries, affiliates, or other persons that are not parties to this case on the grounds that such discovery is overly broad, unduly burdensome, oppressive, and not permitted by applicable discovery rules.

2. AT&T FLORIDA objects to the Discovery to the extent it is intended to apply to matters other than those subject to the jurisdiction of the Commission. AT&T FLORIDA objects to such requests as being irrelevant, overly broad, unduly burdensome, and oppressive.

3. AT&T FLORIDA objects to each and every Discovery request and instruction to the extent that such request or instruction calls for information that is exempt from discovery by virtue of the attorney-client privilege, work product privilege, or other applicable privilege.

4. AT&T FLORIDA objects to each and every Discovery request insofar as the requests are vague, ambiguous, overly broad, imprecise, or utilizes terms that are subject to multiple interpretations but are not properly defined or explained for purposes of these data requests. Any answers provided by AT&T FLORIDA in response to the requests will be provided subject to, and without waiver of, the foregoing objection.

5. AT&T FLORIDA objects to each and every Discovery request insofar as they are not reasonably calculated to lead to the discovery of admissible evidence and are not relevant to the subject matter of this action.

6. AT&T FLORIDA objects to providing information to the extent that such information is already in the public record before the Commission or already in the possession of Staff.

7. AT&T FLORIDA objects to the Discovery requests, instructions and definitions, insofar as they seek to impose obligations on AT&T FLORIDA that exceed the requirements of the Florida Rules of Civil Procedure or Florida law.

8. AT&T FLORIDA objects to each and every Discovery request that are unduly burdensome, expensive, oppressive, or excessively time consuming as written.

9. AT&T FLORIDA is a large corporation with employees located in many different locations in Florida and in other states. In the course of its business, AT&T FLORIDA creates countless documents that are not subject to Commission or FCC retention of records requirements. These documents are kept in numerous locations that are frequently moved from

site to site as employees change jobs or as the business is reorganized. Therefore, it is possible that not every document has been identified in response to these requests. AT&T FLORIDA will conduct a search of those files that are reasonably expected to contain the requested information. To the extent that the requests purport to require more, AT&T FLORIDA objects on the grounds that compliance would impose an undue burden or expense.

10. AT&T FLORIDA objects to each and every Discovery request to the extent that the information requested constitutes "trade secrets" pursuant to Florida Statutes. To the extent that Staff requests proprietary confidential business information, AT&T FLORIDA will make such information available upon execution and in accordance with a protective agreement, subject to any other general or specific objections contained herein.

11. AT&T FLORIDA objects to any Discovery request that seeks to obtain "all" of particular documents, items, or information to the extent that such requests are overly broad and unduly burdensome. Any answers provided by AT&T FLORIDA in response to this discovery will be provided subject to, and without waiver of, the foregoing objection.

RESPONSES

REQUEST: Identify and explain how the network and associated lines, facilities, and other equipment proposed by AT&T to be built in the Riverwood and Coastal Oaks communities within the Nocatee development are (a) the same, and/or (b) different, from the network and associated lines, facilities, and other equipment being constructed by AT&T in the public communities within Nocatee. In responding to this interrogatory, please provide sufficient maps, drawings, and other detailed information as to illuminate and substantiate the similarities and differences.

RESPONSE: The proposed FTTC architecture for Riverwood and Coastal Oaks is the same network architecture that has been and will be placed to serve the public communities in Nocatee, because the FTTC architecture is the most cost effective for both communities. The FTTC architecture that would be placed in both private and public communities consists of: remote terminal cabinet(s), optical network units, buried service wire terminals, buried service drop wire, and fiber optic cable feeder and distribution cable. Additionally, plugins have been placed in the remote terminal cabinets and in optical network units serving the public communities to provide data service that would not be installed in the private communities due to the easement data restriction. Responsive documents are produced in response to Request for Documents, Item No. 3.

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager, Network Operations Support

000446

REQUEST: Does the proposed easement language for the Riverwood and Coastal Oaks communities provide any limitation on AT&T's ability to offer voice telephone service to the residents of those communities? If the response to this interrogatory is "yes" then please describe any such limitations.

RESPONSE: No.

RESPONSE PROVIDED BY: Beth Shiroishi - Sr. Director, Regulatory Planning & Policy

000447

REQUEST:
a. Describe why AT&T is proposing a fiber-to-the-curb (FTTC) architecture for the delivery of voice services in Nocatee.
b. Is this the same architecture being deployed in the other communities within Nocatee?
c. If it is not the same architecture, explain why it is a different architecture.

RESPONSE:

a. AT&T is proposing a FTTC architecture to serve Nocatee, because it is the most cost-effective architecture to provide voice service.
b. Yes. The FTTC architecture will be used to serve other communities within Nocatee.
c. N/A

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager, Network Operations Support

REQUEST: In discussions between the parties, AT&T has proposed the deployment of a fiber-to-the-curb (FTTC) architecture instead of a fiber-to-the-node (FTTN) architecture.

a. Is the network cost information that AT&T has proposed in this docket based upon a FTTC or an FTTN architecture?
b. Please identify and explain the characteristics of a FTTN architecture.
c. Please identify and explain the characteristics of a FTTC architecture.
d. If the network cost information provided by AT&T in this docket is based upon an FTTC architecture, has AT&T considered deploying a FTTN architecture to the Riverwood and Coastal Oaks communities?
e. Please describe the substance of any consideration of deploying a FTTN architecture for the private communities, if any, versus a FTTC architecture.
f. In general terms, identify and explain the cost differences between a FTTN architecture and a FTTC architecture.
g. Identify and describe the costs associated with a FTTN versus a FTTC architecture separately each for the Riverwood and Coastal Oaks communities.

RESPONSE:

a. The network architecture chosen to serve the private communities in Nocatee is FTTC.

b. AT&T defines Fiber to the Node (FTTN) as follows: a backbone fiber cable is placed to a remote terminal cabinet (i.e. the node). Copper cable is extended from the Remote Terminal to a Serving Area Interface (SAI) and terminated. Copper distribution cables are extended from the SAI to serve a development. Terminals are placed throughout the distribution network to serve a defined number of living units. Drop wire is placed from the serving terminal to the customer Network Interface Device.

c. AT&T defines Fiber to the Curb (FTTC) as follows: A backbone fiber cable is placed to a remote terminal cabinet. Fiber distribution cables are extended from the remote terminal and terminated on optical network units throughout the development. Copper cable is extended from the optical network units to drop enclosure terminals. Copper drop wire is extended from the drop enclosure terminals to each living unit served by the optical network unit.

d. Yes.

e. An analysis was performed on the distribution costs of several developments in the area of Nocatee which contained copper distribution and fiber distribution. It was determined that the average distribution costs for FTTN was approximately $101 per living unit higher than the distribution costs associated with FTTC.

f. The major difference in cost between the FTTN and FTTC architectures is the cost associated with the type of distribution facilities placed (copper versus fiber). An analysis of the costs associated with seven developments in the Nocatee area showed that copper distribution costs approximately $101 more per living unit on average than fiber distribution. Further, the cost per linear copper foot in the developments served by copper is [redacted] verses [redacted] for the fiber distribution developments. Also, the total cost of copper distribution facilities per linear foot placed is [redacted] versus [redacted] per linear foot for fiber developments.

g. Both the FTTN and FTTC architectures require a backbone feeder fiber to feed a remote terminal cabinet. The remote terminal cabinet placed for FTTN is very similar to the remote terminal cabinet required for FTTC. The major difference in the two cabinets is the type of channel banks installed in the cabinets (copper distribution channel banks versus fiber distribution channel banks). However, the total estimated cost of a FTTN remote terminal cabinet is estimated to be similar to the cost required for the FTTC remote terminal cabinet. As explained in F, the major difference in cost occurs on the distribution side of the network. It is estimated that copper distribution is approximately $101 more per living unit than fiber distribution, before overhead charges are applied. Therefore, the additional cost required to deploy a FTTN architecture, versus a FTTC architecture, in Riverwood and Coastal Oaks is estimated to be [redacted] and [redacted] respectively. After the standard overhead percentage is applied, the total estimated additional cost to deploy FTTN instead of FTTC for Riverwood and Coastal Oaks is [redacted] and [redacted].

RESPONSE PROVIDED BY: Larry Bishop – Supervising Manager, Network Operations Support

REQUEST: What is the AT&T policy or business position, if there is one, to address the following situation: In the event that the Florida Public Service Commission determines that AT&T is to be relieved of its COLR requirements in the Riverwood and Coastal Oaks communities, discuss and describe how will AT&T respond to the request for voice telephone service from AT&T made by a potential customer that is a resident and homeowner in one of these communities.

RESPONSE: If AT&T Florida is relieved of its COLR obligation for the two private subdivisions in Nocatee, AT&T Florida will have no statutory obligation to provide basic local service to those residents. However, if a customer pays special construction charges for the installation of facilities and the terms and conditions associated with the special construction tariff are otherwise met, AT&T Florida would install facilities to serve the customers in the Riverwood and Coastal Oaks communities pursuant to its special construction tariff.

RESPONSE PROVIDED BY: Beth Shiroishi - Sr. Director, Regulatory Planning & Policy

000452

REQUEST: What is the AT&T policy or business position, if there is one, to address the following situation:

a. Assuming that the COLR obligation has been waived for the Riverwood and Coastal Oaks communities and there has been no financial compensation paid by Nocatee or any other developer within Nocatee to AT&T, how much will AT&T charge a residential customer requesting voice telephone service from AT&T within either of these communities?
b. How will such charges be calculated?
c. What will be the amount of such charges?
d. If AT&T refuses to provide service at all within Riverwood or Coastal Oaks, how many requests must be received by AT&T, or what other factors or events must occur, before AT&T will provide service to the residents of Riverwood or Coastal Oaks?

RESPONSE:

a. If AT&T Florida is relieved of its COLR obligation for the two private subdivisions in Nocatee, AT&T Florida will have no statutory obligation to provide basic local service to those residents. However, if a customer pays special construction charges for the installation of facilities and the terms and conditions associated with the special construction tariff are otherwise met, AT&T Florida would install facilities to serve the customers in the Riverwood and Coastal Oaks communities pursuant to its special construction tariff. The amount of those special construction charges would be determined pursuant to the terms, conditions, and provisions of AT&T Florida's special construction tariff.

b. See response to (a).

c. See response to (a).

d. See response to (a).

RESPONSE PROVIDED BY: Beth Shiroishi - Sr. Director, Regulatory Planning & Policy

REQUEST: What is the AT&T policy or business position, if there is one, to address the following situation:

a. Assuming that the COLR obligation has not been waived for the Riverwood and Coastal Oaks communities and there has been no financial compensation paid by Nocatee or any other developer within Nocatee to AT&T, how much will AT&T charge a residential customer requesting voice telephone service from AT&T within either of these communities?
b. How will such charges be calculated?
c. What will be the amount of such charges?
d. If AT&T refuses to provide service at all within Riverwood or Coastal Oaks, how many requests must be received by AT&T, or what other factors or events must occur, before AT&T will provide service to the residents of Riverwood or Coastal Oaks?

RESPONSE:

a. If COLR has not been waived and the Nocatee developers refuse to pay special construction charges, it is AT&T Florida's position that AT&T Florida has no obligation to install facilities to provide basic local service in response to a request by an individual resident until said charges are paid by the developers.

b. See response to (a).

c. See response to (a).

d. See response to (a).

RESPONSE PROVIDED BY: Beth Shiroishi - Sr. Director, Regulatory Planning & Policy

REQUEST: Identify and describe the basis for the 20% penetration or take rate relied upon for AT&T's analysis of the cost to provide service to Riverwood and Coastal Oaks.

RESPONSE: The basis for the 20% take rate is the actual data for the Avalon, Phase I development.

RESPONSE PROVIDED BY: Beth Shiroishi - Sr. Director, Regulatory Planning & Policy

REQUEST: For each such community that was evaluated for purposes of calculating the 20% penetration or take rate, (a) identify the community; (b) identify the initial assumed or calculated take rate percentage; and (c) identify the most recent take rate percentage if service is currently being provided or will be provided.

RESPONSE: (a) Villages of Avalon, Phase I
(b) 15.5% is the calculated take rate as of April 2007
(c) Information provided in (b) is the most recent take rate percentage.

RESPONSE PROVIDED BY: Beth Shiroishi - Sr. Director, Regulatory Planning & Policy

REQUEST: Identify each of the communities relied upon for the 20% penetration or take rate analysis, and provide the following information:

a. the name of the development;
b. the number of planned homes for each such development;
c. the county and city for each such development;
d. whether AT&T ultimately agreed to construct facilities within each such community (yes or no, as applicable);
e. if AT&T did ultimately construct network or facilities, the date such construction began;
f. if AT&T did ultimately construct facilities, explain and discuss why AT&T decided to so construct facilities;
g. identify the amount of compensation requested by AT&T from the developer of each such community;
h. identify the amount of compensation, if any, ultimately paid or agreed to be paid by the developer of each such community in order for AT&T to provide service within the community;
i. identify the amount of compensation, if any, paid or agreed to be paid by each end user customer/resident of each such community in order for AT&T to provide service to such customer(s);
j. identify the data or broadband service provider for the community;
k. identify and describe the nature of the agreement between the data/broadband provider and the developer of the community;
l. identify the video service provider for the community;
m. identify and describe the nature of the agreement between the video service provider and the developer of the community;
n. identify and discuss any other relevant terms or conditions that were a part of any ultimate AT&T decision to provide or not provide voice telephone service to the community.

RESPONSE: a. Villages of Avalon, Phase I

b. 341

c. Hernando County; Spring Hill, Fl.

d. Yes.

e. September, 2005.

f. Because of the unique circumstances present at the time, AT&T Florida acquiesced to a voice-only easement for this development. In March 2006, after incurring approximately $230,000 to install facilities in Phase I to provide service and with the first expected service date quickly approaching, AT&T Florida learned of the voice-only restriction. Prior to this time, the Developer did not advise AT&T Florida that it could only provide voice service in Phase I. Further, the circumstances involving Avalon Phase I occurred primarily prior to the enactment of Section 364.025 (6). Thus, at the time that AT&T Florida learned of the voice-only restriction, AT&T Florida did not have the ability to petition the Commission for COLR relief.

g. None.

h. NA

i. None

j. Upon information and belief, Connexion Technologies f/k/a Capitol Infrastructure in association with Smart Resorts a/k/a Beyond Communications

k. AT&T Florida has not been permitted by the Developer to review the agreements; however, upon information and belief, exclusive and bulk.

l. Upon information and belief, Connexion Technologies f/k/a Capitol Infrastructure in association with Smart Resorts a/k/a Beyond Communications.

m. AT&T Florida has not been permitted by the Developer to review the agreements; however, upon information and belief, exclusive and bulk.

n. None.

RESPONSE PROVIDED BY: Beth Shiroishi - Sr. Director, Regulatory Planning & Policy

REQUEST: By month starting with January 1, 2005, through the present identify the number of development projects for which the developer of such project has requested AT&T to construct and provide voice telephone service to such development. For purposes of this interrogatory, separately identify condominium development projects (multi-story and/or multi-building) versus single-family residential communities.

RESPONSE: AT&T Florida objects to this request on the grounds that it is irrelevant and not likely to lead to the discovery of admissible evidence, because the requested information has nothing to do with the development at issue in the Petition. In addition, the request is vague, ambiguous, and overly-burdensome because it is not narrowly tailored to address properties were AT&T Florida is restricted in some regard and thus would require AT&T Florida to identify every-single property that it has provided service to for over 2.5 years.

REQUEST: For each of the development projects identified in the prior interrogatory, for each month starting with January 1, 2005, through the present identify (a) the total number of projects for which AT&T did not require any financial contribution from the developer, and (b) the total number of projects for which AT&T did require a financial contribution from the developer.

RESPONSE: AT&T Florida objects to this request on the grounds that it is irrelevant and not likely to lead to the discovery of admissible evidence, because the requested information has nothing to do with the development at issue in the Petition. In addition, the request is vague, ambiguous, and overly-burdensome because it is not narrowly tailored to address properties were AT&T Florida is restricted in some regard and thus would require AT&T Florida to identify every-single property that it has provided service to for over 2.5 years.

REQUEST: Please provide copies of all documents identified by you in your response to or otherwise relied on by you or related to your response to each interrogatory. In responding to this request, please separate any responsive documents by interrogatory.

RESPONSE: See the documents attached hereto. *See also,* Larry Bishop's Direct Testimony Exhibit LB-9 and documents filed in FPSC Docket No. 070126-TL.

000462

REQUEST: Please provide any cost studies or other documents, including work papers, associated with the cost estimates AT&T has calculated for the Riverwood and Coastal Oaks developments within Nocatee.

RESPONSE: Objection, this request is overbroad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence. Notwithstanding and without waiving said objections, see documents attached hereto. *See* AT&T Florida's response to Nocatee's Request for Production No. 2, AT&T Florida's response to Staff's Data Request No. 1, and Larry Bishop's Direct Testimony Exhibit Nos. LB-10, LB-12 and LB-13.

AT&T Florida is further researching the issue and will supplement this response as necessary.

000463

Respectfully submitted this 13th day of July, 2007.

AT&T FLORIDA

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684328v2

CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060822-TL EXHIBIT 9
COMPANY FL PSC Staff
WITNESS Stip-9 Confidential
DATE 07-24-07

CONFIDENTIAL EXHIBIT NO._____

DOCKET NO.: 060822-TL

WITNESS: N/A

PARTY: Staff

DESCRIPTION:

Composite of AT&T Florida's CONFIDENTIAL Responses to Nocatee's Discovery

a. AT&T Florida's CONFIDENTIAL Responses to Nocatee's First Request for Production of Documents, Item Nos. 1, 5, and 7. DN 05238-07;

b. AT&T Florida's CONFIDENTIAL Responses to Nocatee's First Set of Interrogatories (No. 3) and Second Request for Production of Documents (Nos. 3-4), DN 05964-07.

PROFFERING PARTY: Staff

I.D. No. STIP-9

EXHIBIT NO._____

DOCKET NO.: 060822-TL

WITNESS: N/A

PARTY: Staff

DESCRIPTION:

Transcript of the Telephone Deopsition of AT&T Florida Witness Larry Bishop on July 12, 2007

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060822-TL **EXHIBIT** 10
COMPANY FL PSC Staff
WITNESS Stip-10
DATE 07-24-07

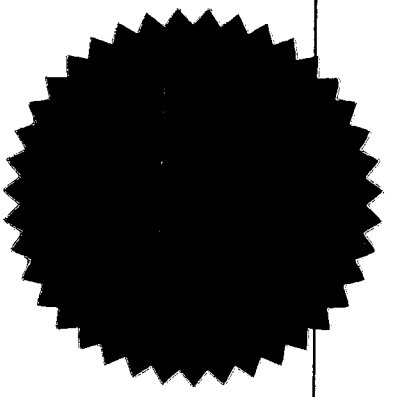
PROFFERING PARTY: Staff

I.D. No. STIP-10

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 060822-TL

In re: Petition for relief from carrier-of-last-resort (COLR) obligations pursuant to Florida Statutes §364.025(6)(d) for two private subdivisions in Nocatee development, by BellSouth Telecommunications, Inc.
_____/



TELEPHONE DEPOSITION OF: LARRY BISHOP

TAKEN AT THE INSTANCE OF: The Commission Staff

DATE: July 12, 2007

TIME: Commenced at 3:05 p.m.
Concluded at 4:33 p.m.

LOCATION: 2540 Shumard Oak Boulevard
Tallahassee, Florida

REPORTED BY: MARY ALLEN NEEL, RPR, FPR
Notary Public, State
of Florida at Large

ACCURATE STENOTYPE REPORTERS, INC.
2894 REMINGTON GREEN LANE
TALLAHASSEE, FLORIDA 32308
(850)878-2221

2007 JUL 18 PM 3:00
DIVISION OF
COMPETITIVE SERVICES

APPEARANCES:

REPRESENTING BELLSOUTH/AT&T FLORIDA:

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REPRESENTING NOCATEE AND SONOC:

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REPRESENTING THE COMMISSION STAFF:

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H. F. MANN, ESQUIRE
Florida Public Service Commission
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ALSO PRESENT:

DALE BUYS
DAVID DOWDS
DEVLIN HIGGINS
RAY KENNEDY
DALE MAILHOT
RICK MOSES
BETH SALAK

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STIPULATIONS

The following deposition was taken on oral examination, pursuant to notice, for purposes of discovery, for use as evidence, and for such other uses and purposes as may be permitted by the applicable and governing rules. Reading and signing of the deposition transcript by the witness is not waived.

* * *

Thereupon,

LARRY BISHOP

the witness herein, having been first duly sworn by Brenda S. Slaughter, a Notary Public in the State of Georgia whose commission expires July 28, 2010, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. WIGGGINS:

Q. Good afternoon, Mr. Bishop.

A. Hello.

Q. Would you state your name and position with the company and business address, please.

A. My name is Larry Bishop. My address is 675 West Peachtree Street, Atlanta, Georgia. My current position is as a supervising manager for the Southeast Outside Plant Engineering and Construction Support Staff.

Q. Mr. Bishop, have you ever been deposed before?

A. No, I have not.

Q. Okay. If during the course of this deposition you don't understand any questions I ask, just let me know, and I'll do my best to reframe them. If you need -- I guess that's about it. We'll take it slow because it's by phone. That makes it a little bit more difficult.

MR. MEZA: Could I ask a favor from you? Could you maybe get a little closer to the phone?

MR. WIGGGINS: Yes. We were also having a little problem hearing Mr. Bishop.

MR. MEZA: Okay. We'll put a mike right in front of him.

MR. WIGGGINS: And while we're at it, all objections are reserved except as to the form of the question?

MR. MEZA: Agreed.

MR. WIGGGINS: Are you good on that, Floyd?

MR. SELF: Yes, I am.

BY MR. WIGGGINS:

Q. Mr. Bishop, mainly I want to focus on your responses, the responses from AT&T to staff's discovery. Do you have those with you?

A. Yes, I do.

Q. Okay. Could you turn to your response to staff's first set of interrogatories, and we're going to look at number 7(j). Let me know when you find it, please.

MR. MEZA: Counsel, what date were those? I just want to make sure we're on the same date.

MR. WIGGGINS: June 19th.

THE WITNESS: Yes, I have it.

BY MR. WIGGGINS:

Q. Here you say that, quote, "FTTC architecture is a more economical solution to serve the Nocatee development than other networks such as the DLC to copper based facilities." To clarify, when you refer to the Nocatee development in this response, are you referring only to providing facilities to Riverwood and Coastal Oaks?

A. Actually, the fiber-to-the-curb architecture was chosen to serve both the public and private communities.

Q. So is it your view that determining the cost to provide voice-only service to Riverwood and Coastal Oaks must be in accord with the technology used to serve the public communities, where AT&T will be allowed to offer voice, video, and high-speed Internet access?

A. The technology choice was primarily driven by

the economics regarding that architecture. The local network folks performed an analysis of copper distribution versus fiber distribution in several developments around the Nocatee area, and it was approximately $100 more per living unit to deploy copper rather than a fiber-to-the-curb distribution system, and that is why fiber was chosen.

Q. I need you to clarify for me what you mean by DLC to copper based facilities. In the alternative analysis that was conducted, is the cost of the next generation DLC remote terminal plus the cost of copper cables running to each home included, or are just the costs of a copper-only configuration modeled?

A. The distribution costs were analyzed. In a DLC-to-copper architecture, the DLC cabinet, the remote terminal is very similar. In fact, it is the same vendor. So the cabinet costs are basically equal, and the analysis was provided on the distribution side.

Q. Thank you. Is it your testimony that deployment of an FTTC architecture to provide voice-only service to Coastal Oaks and Riverwood is the most cost-effective option?

A. In some cases copper is the most cost-effective alternative, but fiber to the curb in the case of Nocatee is the most cost-effective solution, and

that's why that architecture was chosen.

Q. But you only examined one alternative; is that correct?

A. That is incorrect. The local folks actually looked at straight copper directly from the central serving office. However, the closest facilities that would have been available to serve such a large development were approximately 11 miles away from the Nocatee development, and they would have had to run backbone copper cable all the way back to that point, so that alternative was much more expensive than tapping into the existing fiber backbone that was adjacent to the property.

MR. WIGGGINS: Thank you. I'm going to go on mute for just a minute.

(Discussion off the record.)

BY MR. WIGGGINS:

Q. Mr. Bishop, I'm back. Did your network organization consider installing an RSU to lessen the cost of deploying the straight copper?

A. I'm sorry. Please define an RSU.

Q. Remote serving office.

A. No, sir. We typically do not place a remote serving office. We usually extend to the existing serving office for that area.

Q. Why?

A. I am not aware of any situation where we have placed a remote serving office. That is not part of our standard guidelines, particularly given the fact that we had an existing backbone fiber adjacent to the property that we could tap into.

MR. WIGGGINS: Off the record.

(Discussion off the record.)

BY MR. WIGGGINS:

Q. Mr. Bishop, what I'm struggling with here and we're struggling with here is that it's my current understanding, which you can help me with, that remote service offices are standard techniques or devices or approaches to save on distribution costs by effectively shortening how far the copper has to go so you don't have to take it all the way back to the central office. And in a situation where you could have it go to -- I don't know if it's RSO or RSU, but I'm wondering why it wasn't considered, not necessarily why it wasn't put in, but why it wasn't considered, because it's a standard approach to lessen the costs of your distribution. Can you help us?

A. Yes, I can. When I heard your definition of RSU, I was thinking more along the lines of a field central office, so what came to mind was an actual

building. What you're calling an RSU is what we would call a serving area interface, which is also called a cross box. That is an interface between feeder copper cable and distribution copper cable, and that is one of the options considered. As I said, the nearest central office was approximately 10 to 11 miles away from the Nocatee development, so we would have had to run it back there and terminate it in an SAI and then feed the distribution facilities from there.

Q. Well, we still seem to be missing each other, but what I'm going to do is, rather than pursuing this now, I'll move on, and maybe I can loop back to this a little bit later, if you'll excuse the pun.

Let's go to your response to interrogatory number 12, please.

A. Twelve, you said?

Q. Yes, sir. You indicate that since the revisions to Section 364.025 became effective, AT&T has requested payment from developers for line extensions four times, for Avalone Phase II, Nocatee, Cabana South Beach Phase II, and Brookhaven Apartments; is that correct?

A. That is correct.

Q. Are the Brookhaven Apartments the apartments located in Brooksville for which AT&T notified the

Commission on June 27, 2007, that they qualified for an automatic COLR exemption?

A. I'm sorry. Will you please repeat the question?

Q. Yes. Is the Brookhaven Apartments the same site that AT&T notified the Commission qualified for an automatic exemption from the carrier-of-last-resort obligation?

A. I believe so, yes.

Q. Is it AT&T's position that it will provide service to this location if requested, but only after the payment of line extension charges?

MR. MEZA: I'm going to object to the form. I don't mean to make a speaking objection, but can you clarify? Are you still talking about Brookhaven?

MR. WIGGGINS: Yes. I'm sorry. I'll rephrase it.

BY MR. WIGGGINS:

Q. Mr. Bishop, I'm talking about the Brookhaven Apartments. Is it AT&T's position that it will provide service to this location if requested, but only after the payment of line extension charges?

MR. MEZA: Object to the form. Go ahead and answer.

A. That would be correct. If given permission, we would proceed with placement of facilities only upon the payment of special construction costs.

Q. Had Brookhaven not qualified for the automatic COLR exemption, would AT&T likely have filed with the Commission for a waiver pursuant to Section 364.025(6)(d)?

MR. MEZA: Object to the form. You can answer.

A. We would have proceeded with our process described in the general subscriber tariff regarding special construction charges, and if the developer had not responded with payment of those charges, we would have then filed for relief from COLR.

Q. Would you mind repeating that again? You would have proceeded as provided by what?

A. If payment was not received from the developer in accordance with our special construction tariff process, we would have then filed a petition for COLR relief with the Commission.

MR. WIGGGINS: I'm going off the record.

(Discussion off the record.)

BY MR. WIGGGINS:

Q. Mr. Bishop, could you please tell me what criteria AT&T uses to determine whether or not to

require a line extension charge?

A. We determine the associated costs with deploying facilities or whatever work is required, subtract the forecasted five-year revenue, and apply an overhead charge, and we provide that estimated charge to the customer or developer.

MR. WIGGGINS: Back in a minute.

(Discussion off the record.)

BY MR. WIGGGINS:

Q. What triggers the process to make that assessment as to whether or not it qualifies for a -- asking for a line extension charge?

A. Typically the analysis that is performed occurs in cases where AT&T is limited in the amount of services or types of services that it can provide to a property.

Q. All right. Now, is this done on a development basis or on a subset of a development basis?

A. It's performed on a development-by-development basis, depending on the facts regarding that particular development.

MR. WIGGGINS: Excuse me a minute. I'll be back.

MR. MEZA: Patrick, I'm going to step away to get this thing faxed back to you, so I'm exiting

the room right now.

MR. WIGGGINS: Okay. I'll wait.

(Discussion off the record.)

BY MR. WIGGGINS:

Q. Mr. Bishop, in staff's second set of interrogatories, number 25 -- excuse me. Strike that. I want to go to 25(j). In 25(j), your response to staff's second set of interrogatories, you addressed the cost per single-family unit for distribution of fiber to the curb.

A. Okay. I'm there at that section.

Q. I've got a very general question for you. Suppose the developer laid conduit for you and it was prelaid and all you had to do was pull cable through the conduit. Can you address generally how much that would reduce your installation costs?

A. The installation costs would actually be very similar because of the labor required to install cable within that duct. Also, we looked at the costs that would be associated to the developer for the placement of that conduit, and when you added all the costs we predicted, it would be about the same as the special construction charges we presented the developer in 2006.

Q. So speaking generally, in a greenfield situation, is it your position the developer can't lower

the cost to itself by installing its own conduit for you to pull through?

A. I would not say that in every situation. I believe in the case of Nocatee that analysis was done, and it was about the same cost. As I mentioned, the developer would incur significance costs to place conduit through each neighborhood in that community and the subsequent communities around the development.

Q. But if they had in these two private communities had the foresight to install their own conduit, for example, you wouldn't see the $396 per family unit for FTTC going down substantially? Is that my understanding?

A. That is correct. I'm sorry. I'm hearing some feedback. I'll step away from the mike. But that is correct. If the developer is going to incur the costs to place the conduit, we would still be asking for special construction costs outside of the net five-year revenue subtraction to place the facilities within those communities.

Q. Well, you had two different estimates -- I'm getting a voice feedback on this, Jim, which is a bit disconcerting.

MR. MEZA: Yes. We'll try a few things here.

MR. WIGGGINS: I'm going to put it back down.

MR. MEZA: Is that better?

MR. SELF: Yes. We were getting about a tenth of a second delay.

BY MR. WIGGGINS:

Q. As I recall one of the numbers, and I don't have the numbers in front of me, you were saying the contribution you would like from the developer was something like $322,000 for one of the private developments.

A. I would have to refer to my testimony for the exact number, but I believe it was around $443,000.

Q. All right. Hang on. Yes, $443,000 for the both of them.

A. And that would be for the initial phases.

Q. Right. I'm just trying to get for my own purposes, not necessarily technical staff's purposes, a sense of the order of magnitude of what the cost components are. So if a developer had already placed conduit in the ground that your company only had to pull through, do you think this number would be more like 400, or 350, or would it not go down at all?

A. It would be hard to say, particularly because Nocatee is such a large development, so I would hate to speculate. But in the preliminary analysis, the costs, if they did go down, it would be very minimal. And we

would still continue to perform the special construction analysis of determining the costs and then subtracting the forecasted five-year revenue, and whatever that number would be, if there was additional cost, we would then proceed to bill the developer.

Q. Okay. Please turn to AT&T's response to interrogatory number 27.

A. Okay. Sorry about that. I'm there.

Q. Good. Am I correct that this response means that as far as AT&T can determine, it never assessed line extension charges to developers in Florida before the 2006 changes to Section 364.025?

A. Although I'm not an expert on the application of special construction charges in all cases, I can say that the application of special construction charges with respect to Nocatee and some similar developments has occurred because of the PSC guidance provided in the March -- and I forget the date, but a ruling that came out in March regarding the Nocatee case.

Q. Let's stay on this for a minute. Are you aware of ever applying the line extension charges to developers?

A. I am not personally aware of that, so I cannot attest if that has or has not occurred.

MR. WIGGGINS: Give me a second, Jim.

(Discussion off the record.)

BY MR. WIGGGINS:

Q. Mr. Bishop, in your earlier response you indicated that the application of the line extension charges to developers was in response to language contained in a PSC order. Is that the only reason line extension charges have been assessed?

A. As I mentioned before, I am by no means an expert on special construction policy, so I cannot confirm if that kind of analysis has been performed prior to that time.

Q. Do you know who in your company would be able to answer that?

A. I do not know at this time.

MR. MEZA: Off the record.

MR. WIGGGINS: Yes, absolutely. Off the record for a second. I'm putting you on mute.

(Discussion off the record.)

BY MR. WIGGGINS:

Q. Mr. Bishop, do you know to your knowledge whether AT&T is assessing line extension charges to developers in any other states?

A. I do not know that.

Q. Okay. Would you turn please now to interrogatory number 28?

A. Okay.

Q. There it's indicated that assessing line extension charges to Florida consumers is not a common practice. If you know, could you describe for me the kinds of special construction projects for which CIAC likely would apply?

A. An example would be that a customer requests a pole removed within the easement because of some type of easement work, or they want to install a swimming pool or something like that, and we would do the same kind of assessment at that time.

Q. Does that happen a lot? Do you have line extension charges commonly occur?

A. Yes. As a matter of fact, it is the same process that we're applying for Nocatee. The special construction process we're applying for Nocatee is the same process we use throughout the Southeast, and we apply that every day. Every day there's customers asking us to move facilities, or, for instance, there's a construction trailer that's only going to be in place for a couple of months while a building is being constructed. We would apply that same process in those instances. So, yes, we do apply the same process daily.

Q. Thank you. Mr. Bishop, what's your relationship with Rick Vinson?

A. Rick Vinson is another member of the engineering and construction support staff.

Q. Does he report to you, or do you report to him?

A. No, sir. We are peers in the same staff.

Q. The reason I ask is that in his interrogatory response to number 28, I think the content is the same, but he starts off with no rather than yes when asked whether it was common practice to assess line extension charges. Would you take a look at 28, the response to 28(b) for me, please?

A. Yes. I see his response here, and I must clarify. I misspoke. We apply special construction charges, but we do not always remove the five-year revenues, I guess, according to Rick's comments. But as I said, I'm by no means an expert on how the special construction is applied.

Q. Thank you for clarifying that.

Would you please turn to your response to interrogatory number 31?

A. Okay.

Q. This pertains to an apparent inconsistency between the summary sheet of some NPV analyses performed by AT&T and the individual backup sheets. As I understand your response, the summary sheet shows a

14 percent discount rate, but detail provided to staff contained a 10 percent discount rate; is that correct?

A. I apologize. Unfortunately, I'm not an expert on the NPV model, and I believe Beth Shiroshi's testimony discusses that.

MR. WIGGGINS: Okay. Thanks. Just a moment.

(Discussion off the record.)

MR. WIGGGINS: Jim, I'm only going to have a few more, but I need three or four minutes. You can relax for a second.

MR. MEZA: Okay.

(Short recess.)

BY MR. WIGGGINS:

Q. Okay, Mr. Bishop. I only have a few more for you. Will you please tell me what organization you work with within AT&T and what the relationship is to the network folks you mentioned?

A. Yes. I work in the headquarters, Southeast Engineering and Construction Support Staff within AT&T. So I provide direct support to the local network engineers and planners that were responsible for planning for Nocatee.

Q. And what kind of support is that?

A. To provide guidance on the special construction analysis relating to the cost assumptions,

if they have questions regarding architecture or facilities. There has been some discussion regarding easement language, and I have participated in some of those calls.

Q. So do you have direct authority over the decisions made as to what kind of facilities to deploy in Nocatee, or does your group?

A. My group does not have authority as far as managing directly the engineers of that district. However, we do provide guidance based on our loop deployment technology guidelines, which should be the same guidelines throughout the southeast region.

Q. So who made the call as to whether it was FTTC or copper? Was that you or your group?

A. The local network folks did, based upon the analysis performed. And the fiber network architecture was the cheapest, so that's why that was chosen.

Q. If there's a difference of opinion on which is the best way to go, who makes the call, them or you?

A. The local network folks would make the call.

Q. Who makes the call whether to ask for CIAC or line extension charges?

A. The local network folks would follow the guidance according to whatever policy or tariff procedures are in place, so we would help provide

guidance on that from the support staff.

Q. Okay. Who does the local network planning group report to?

A. They report to a provisioning director.

Q. And where does he live?

A. He lives in Jacksonville.

Q. And who does he report to?

A. He currently reports to an assistant vice president.

Q. And where does he live?

A. Her name is Barbara Pruitt, and she lives -- and I apologize. I'm not sure exactly where she lives, because we've just undergone a reorganization July 1.

Q. The provisioning director, is that where the buck stops as far as deciding what kind of facilities are deployed?

A. Yes.

Q. What is the name of the provisioning director for the Jacksonville area?

A. Robert Suarez.

Q. All right. Would the local engineering folks or Mr. Suarez consult with your group with respect to pursuing any other ways to make deployment economical, for instance, pursuing community development grants?

A. Not my group directly. I'm not sure who they

would approach for that kind of information.

Q. So when you say you provide support to the local engineers and Mr. Suarez's provisioning group -- I don't want to put words in your mouth, so I need to hear back from you, but it's engineering and technical support for implementing their decisions; is that correct?

A. Yes. My role on the staff was supervising persons that -- I supervised a team of SMEs, one of whom would provide that support regarding a layout regarding the engineering drawing, those types of things.

Q. All right. When were you first involved with this question of how -- when were you first consulted by the local provisioning group for your support?

A. I'm sorry. I can't give you the exact date, but it was sometime in mid-2006.

Q. And who contacted you, if you can remember?

A. Well, this development actually was discussed between myself and the local director, Robert -- I'm sorry. At the time, it was David Murray, and also the design engineer.

Q. Okay. And that was in mid-2006, as you recall?

A. Yes.

Q. Okay. When did you first deal with the

attorneys assigned to this project?

A. Around the same time.

Q. And were those discussions around the easement language?

A. That is correct. And this, quite frankly, at that time was a new issue to us regarding the restrictions on the services, so I provided support from a network staff perspective, and of course we looked at it from a legal and regulatory perspective as well.

Q. Mr. Bishop, I don't know if you're the one to ask this question, and if you're not, then you can tell me and suggest who I may ask. In doing the assessment as to the deployment to Riverwood and Coastal Oaks, who decided it should be done on the basis of those two communities alone as opposed to a more general assessment of the profitability of Nocatee, including the public areas? Was that you or someone else? Do you understand the question?

A. Would you mind rephrasing the question?

Q. Actually, I would like to. Your cost assessment, your cost analysis involves deployment to two private parts of the development, Riverwood and Coastal Oaks; correct?

A. That's correct.

Q. In looking at the economics of it, you did not

also do an analysis that included public areas along with those two private areas, did you?

A. We did not include the facilities placed in the public areas with the facilities that would be proposed to be placed in the private areas, because we want to perform a revenue and cost analysis on each facility that is placed. So the facilities that are placed to serve the private communities have nothing do to do with the public facilities. Also, the revenues would not have anything to do with the revenues generated from the public communities. So, yes, we did treat the two areas separately.

However, the network architecture chosen for the entire development of Nocatee was chosen based on the most economical solution, and that's fiber to the curb. And we have placed fiber in Austin Park, so our facilities are in place, and we chose to place those facilities because they were the most economical.

Q. Were you asked to do an analysis of the economic viability of doing the fiber to the curb for the public areas, in other words, a parallel kind of analysis like you did for Riverwood and Coastal Oaks, but for the public areas?

A. Well, it's our understanding that it's an exclusive marketing agreement for the private areas, and

there's no restriction on the types of services that AT&T can provide in the public areas. You know, our preference is to serve customers, but we do not want to be limited in the types of services that can be sold, and if we are, then it is incumbent upon us to provide a business analysis on those cases.

Q. So if I've understood your testimony this afternoon, the criteria that exists for you to decide to use a line extension charge approach includes the nature of the relationship that the developer has with a competing provider; is that correct?

A. That would be incorrect per se. The analysis was performed because AT&T has been restricted in the types of services that could be offered.

Q. Fair enough. So that was the case for Riverwood and Coastal Oaks. But because it's not restricted in these other areas, you did not perform the analysis?

A. That is correct, because our goal is to serve the area.

Q. So at this point, you do not have projections as to how profitable they will be?

A. I do not have that information.

Q. Do you know whether anyone in the company made such an analysis?

A. I do not know.

MR. WIGGGINS: Okay. I'm going to go off the record just a minute, Jim. I think I'm done, but I'm going to go off the record.

(Discussion off the record.)

MR. WIGGGINS: I am back. I'm through, assuming that if Floyd asks questions it doesn't raise any more. In my mind, we're done.

Thank you, Mr. Bishop.

MR. SELF: This is Floyd Self. I have a few questions.

CROSS-EXAMINATION

BY MR. SELF:

Q. Mr. Bishop, I'm Floyd Self. I'm in Tallahassee. I'm not at the Commission with those other folks, if that matters. And I have a few follow-up questions to what Mr. Wiggins was asking you, and then I would like to ask you a few specific questions about your prefiled testimony.

A. Okay.

Q. And again, because of the nature of the conference call, if words get dropped or you're not sure, ask me to repeat it or clarify it as appropriate.

The first thing I would like to ask you about is sort of the last thing you said to Mr. Wiggins as

well as what you said earlier, that is, situations in which the company would apply special construction charges, line extension charges, CIAC charges, whatever is applicable here. And what I thought I heard you say a couple of times is that the issue regarding -- today, the issue regarding whether or not those special construction charges would be applied is determined, at least in the case of developments such as Nocatee, based on whether AT&T is limited in the kind of services that it has been able to offer to end user customers. Is that correct?

A. I'm sorry. Would you mind just repeating that question one more time?

Q. Sure. Today, is it correct to say that the business decision that AT&T is making regarding whether or not it will apply special construction charges to a development such as the two private communities in Nocatee, that that decision is based upon whether AT&T is limited in the kind of services that it can offer to end user customers?

A. The decision to perform the analysis extends not only because of the restrictions placed upon AT&T regarding the types of services that can be offered, but also the estimate of the cost of deploying facilities in a particular development. So it's a combination of

several factors.

Q. All right. Well, let me ask you this hypothetical question. Let's assume two developments. Okay? They are exactly the same in terms of topography, street layout, number of houses. All of those issues are exactly the same. Okay? You have a developer who is developing two communities, and he basically takes the plat for one, and he's going to use it as the plat for the second. So the houses will be the same. The relationship of the houses to the streets will be the same. It's every bit as much the same as anything in the world can be the same. Do you understand the hypothetical situation?

A. Yes.

Q. If in one of those two communities there's no restrictions on AT&T at all, and in the other community AT&T is restricted to only provide voice telephone service, is AT&T going to seek recovery from the developer for both of those neighborhoods or only the one where it's limited in the services that AT&T can provide?

A. AT&T will proceed with recovering costs in accordance with the subscriber tariff.

In the development scenario you provided, in the first development where there are no restrictions on

AT&T, that would mean AT&T would potentially see revenues from plain old telephone service customers and potentially data and video customers if that kind of architecture is deployed.

In the case of a development where there are restrictions upon the types of services that AT&T can offer, more than likely that would be a case similar to Nocatee, where the other services that AT&T is excluded from providing are part of some kind of exclusive package with another provider. And in those cases, it's estimated that the revenue generated from regular phone service will decline because the take rate will be much lower as customers bundle their services in a triple play type package.

So I would say that the analysis would be performed in both cases, but because there's no restriction on the first development, typically special construction charges would not be applied there because the revenue would exceed the estimated cost.

Q. Okay. In terms of analyzing this situation, in terms of AT&T analyzing the situation, how relevant is it as to whether the restriction on AT&T is for one of the two other services? For example, is it going to make a difference if AT&T can provide voice and broadband service, but cannot provide cable or video

service?

A. Yes. AT&T currently deploys facilities in developments that are in that same scenario. But I do want to point out that each development would be analyzed based on the facts associated with that particular development. So although you describe those would be the types of services AT&T could offer, there may be other factors that would go into the analysis, such as an inordinate amount of cost. Other restrictions may apply. So it would be difficult to apply that to every development.

Q. But to go back to the hypothetical again, if the network that AT&T was going to deploy in those two neighborhoods was exactly the same and cost exactly the same, certainly in that scenario, if I understand your testimony correctly, in that case, the only issue is whether or not AT&T is limited in the services that it can offer to end users?

A. That is correct, because that's what drives the potential revenue.

Q. Okay. I want to follow up on one other group of questions that Mr. Wiggins asked you about, the -- I believe this was in the context of the response to the answer to staff's interrogatory 25(j) when he was asking you about the placement of conduit, and I just want to

see if I understand what your testimony was in that regard.

I believe Mr. Wiggins asked you if the developer put in the conduit, how would that impact the cost that AT&T was calculating for that neighborhood, and I thought I heard you say that the cost difference would be very small if the conduit was already laid. Am I characterizing that correctly, or can you clarify that for me?

A. I would be happy to clarify. I do want to make sure I reemphasize that it's hard for me to say exactly how much the cost would come down, because in a large development like Nocatee, there are many factors. However, after some of the preliminary analysis performed by the local engineering folks, the cost for AT&T to place facilities in an existing conduit structure would be very similar to the cost associated with direct burying the facilities in the ground.

In addition, even if the conduit wasn't placed, and say the cost of the job went down, AT&T would then continue to perform the construction analysis by determining the costs, subtracting the forecasted five-year revenue, and then determining what that final result would be.

Q. Okay. Let me just turn this around a moment.

I very much understand the last part of your answer there. My issue is sort of the conduit one. The question is, if you -- if the conduit is already in -- well, strike that. As a part of the total cost projections that have been done for Riverwood and Coastal Oaks, is it your testimony that the cost of installing the conduit is small, relatively small, such that the remaining costs are almost the total cost of the project?

A. Please rephrase that question. I want to make sure I understand that completely.

Q. Here's my problem. It sounded to me when you were originally responding to Mr. Wiggins that the cost of -- I thought I heard you say, and this may be wrong, but that the cost of the developer installing the conduit either would have no impact or a very small impact on AT&T's costs, or it may have been that I heard you say that the cost to the developer to put in the conduit was almost the same as AT&T's total costs.

A. No. Let me make sure I clarify that. I was not trying to imply that at all. Even if conduit is installed by the developer, AT&T's costs would be reduced at a minimal level. And the developer would also potentially incur the costs associated with special construction charges, because AT&T would then reanalyze,

subtract the five-year annual revenue, and then continue to apply that. So the developer would probably incur more charges in that case, because they would incur the cost of the conduit, plus the same costs associated with AT&T's work.

Q. Okay. That was helpful. I appreciate that.

Do you have a copy of your testimony in front of you?

A. Yes, I do.

Q. Okay. Let's flip over to page 5. Beginning on page 5, you discuss various communications between AT&T and Nocatee in 2006. Do you see that?

A. Yes, I do.

Q. Okay. What has been your involvement in these communications that have occurred from September 2006 forward?

A. Although I have not been personally involved with the communications listed here, I have consulted with the local design folks and engineering folks who have been in communication with the developer, and also I've been coordinating with our attorney, our attorneys within AT&T, who have also been in contact with the developer's attorneys. I have read all the exhibits provided and the e-mails referenced here, so I am familiar with what is in my testimony.

Q. Okay. Did you have any personal involvement in the bidding process that SONOC or Nocatee put out in terms of the request for proposals and the ensuing negotiations between what was then BellSouth and Nocatee for BellSouth to be the exclusive provider?

A. No.

Q. Do you have any knowledge of those prior bid and negotiation processes?

A. Yes, very minimal knowledge.

Q. Okay. Turning over to page 8, you talked about the fiber to the curb. And I believe from your response to Mr. Wiggins that the architecture that AT&T is proposing for Riverwood and Coastal Oaks is the same architecture that's being installed in the public communities in Nocatee; is that correct?

A. That is correct.

Q. Down at the bottom of page 8 starting at line 21, you talk about the existing backbone feeder fiber cable that runs adjacent to the Nocatee development. Is the reference there to backbone feeder cable that's within Nocatee or outside Nocatee?

A. Actually, the reference there is to a feeder cable that runs along the street that's next to the Nocatee property. In serving Riverwood and Coastal Oaks, we would actually extend a fiber cable from the

fiber cable placed from that backbone, so we would not be placing fiber all the way back to that backbone. We would place fiber to the RT site at Austin Park and only bill the developer for that work only.

Q. Okay. And I think I saw -- and I can't recall which one, but I thought I read in one of the interrogatory responses from AT&T -- and I don't know if this number is confidential or not. Since I can't remember, I don't want to ask you the number, but there was a number presented for -- I believe it was described as the head in facilities, and that that cost existed whether you served one house or the entire development. Are you familiar with what I'm talking about?

A. If you wouldn't mind, could you kind of reference where that is located so I could look at it with you?

Q. Yes. Just give me one moment here, please.

Here we go. This is staff's first data request, and the cover letter is dated July 9, 2007, and it's the amended response to staff's first data request number BS-1, number 7. And it says -- the request is, to the extent not provided in response to request number 6, please provide any reports, studies, or analyses provided by or for BellSouth to indicate at what level of demand and for what services provision of service to

Riverwood and Coastal Oaks would break even.

A. I'm sorry, Mr. Self. I was trying to find that copy. If you would reference that again.

Q. Sure. It's at the top right-hand corner, staff's first data request, January 29, 2007, amended item number 7, and it's three pages long. But it was apparently transmitted to the Commission with a letter dated July 9, 2007. And this is a confidential -- at least some of this is confidential.

A. I'm sorry. I'm trying to find it here.

MR. MEZA: Floyd, can we take a five-minute break? We need to get a copy of that.

MR. SELF: Sure. Just let me know when you're ready.

MR. MEZA: It's the July 9th?

MR. SELF: Yes.

MR. MEZA: Okay. I'll be right back.

(Short recess.)

MR. MEZA: Okay, Floyd. We found it.

BY MR. SELF:

Q. Let me just ask a general question first, since this is labeled proprietary. Am I correct that the only part of page 1 of 3 that's proprietary are the two numbers which on my copy are highlighted in yellow?

MR. MEZA: Floyd, let me answer that. I would

say that's correct.

MR. SELF: Okay. I don't want to ask about the numbers.

MR. MEZA: Okay. Then you're fine.

BY MR. SELF:

Q. The second full paragraph there that says, "As indicated in the affidavit of Larry Bishop," that's the part I want to focus on. The entrance facilities that are discussed there, can you tell me about those or what's involved with them?

A. The term "entrance facilities" here means the facilities required to serve those communities. So the term "entrance" here would refer to the backbone fiber placed to the remote terminal cabinet.

Q. Would it include the fiber that runs or the facilities that run down the street in front of the houses?

A. From this response here, the entrance facilities it looks like refers to only the remote terminal, the facilities out to the remote terminal.

Q. Okay.

A. Because those facilities are incurred and the costs for those facilities are incurred regardless of the number of subscribers.

Q. Okay. Thank you.

Going back to your prefiled direct testimony, on pages 10, 11, and 12, you talk about in general the build-out cost, labor, overhead. Do you see that testimony?

A. I'm on page 10. Are you referring to the bottom of page 10?

Q. Yes. Starting at line 20, you analyze a bunch of material costs. Do you see that?

A. That is correct.

Q. Are these material costs any different from what is being built in the public communities within Nocatee?

A. The materials required are going to be very similar. Now, the cabinet size and the number of ONUs could be different depending on the size of the community, but the overall materials required would be the same.

Q. So in other words, the quantities may be different, but these are the same types of materials that you would have in the public communities?

A. That is correct.

Q. Okay. And again, with respect to labor costs, the same thing would be true? How many people or how many hours may be different, but the kind of labor costs that you've identified here would be the same for the

public communities as they are for the private?

A. That is correct.

Q. And in fact, those material costs and labor costs, the kinds of materials and the kinds of labor would be the same for any development in which you were deploying a fiber-to-the-curb architecture; correct?

A. I would say very similar. Each development has its own different circumstances, so there may be some site prep work that may be required at one but not the other. So I can't say definitively yes, this is the same for every development, but it's very similar, yes.

Q. And again, the overhead costs that you've identified, those are the same types of overhead you would apply to the public?

A. Yes. Overhead is applied to every job.

Q. Okay. With respect to the fiber-to-the-curb architecture, is that the preferred architecture for AT&T in Florida for developments like Nocatee?

A. I would say no, because -- I don't know if I agree with the statement within your question. It's not a preferred architecture because it's Nocatee. It's the preferred architecture in this case because of the cost analysis performed.

Q. And that cost analysis is dependent in part, if I understand you correctly, based upon the AT&T

network architecture in adjoining or surrounding areas; correct?

A. That is one of the factors, correct.

Q. Okay. If you could flip over to pages 15 and 16, and starting at line 21 on page 15 and carrying over to page 16, you discuss the projected five-year annual exchange revenue, and on page 16 you specifically address the 20 percent take rate. Do you see that?

A. Yes, I do.

Q. Okay. And if I understand your testimony correctly, the cost estimates that are contained within AT&T's proposal here in your testimony are just based upon the first phase or first two phases of the development; is that correct?

A. Yes, that is correct.

Q. Okay. Because I believe at some point you say that there will be additional charges based upon the subsequent phases; correct?

A. Correct.

Q. Okay. Do you know whether for the subsequent phases if the take rate that's used in the analysis of calculating costs for those subsequent phases will be adjusted based upon the actual experience in the first phases of the development?

MR. MEZA: Object to the form.

A. I cannot answer that. I would like to refer you to Beth Shiroshi and her testimony, who would be our expert witness regarding the policy and the revenue model.

Q. Okay. So you don't know if the take rate was actually 50 percent or 80 percent, whether that's a number that would be used in the subsequent calculations for subsequent phases?

A. I could not -- I don't know.

Q. So the answer is yes, you don't know?

A. Yes. I do not know. I would refer to you Beth Shiroshi.

Q. Okay. And I apologize for making you go backwards. If I could take you back to page 7 of your prefiled testimony.

A. Okay.

Q. And at lines 21 and 22, you state, "To date, AT&T Florida has not received an acceptable form of easement from the developer." Do you see that?

A. Yes, I do.

Q. Is that statement still true?

A. Yes, it is.

Q. And do you know what the holdup or the problem is in terms of negotiating an acceptable easement?

A. We would like to see easement language that

does not restrict AT&T from the types of services that can be offered.

Q. To the best of your knowledge, is that the only issue with respect to an acceptable easement?

A. To the best of my knowledge, yes.

Q. Okay. Do you know whether the proposed easement language that AT&T currently finds unacceptable would restrict AT&T from offering a voice telephone product bundled with a cellular or wireless mobile phone product?

A. I am not familiar with the types of bundles packaged. I would ask you to refer to Beth Shiroshi and her testimony.

MR. SELF: I appreciate your time and patience with me. Thank you very much.

MR. MEZA: I have no questions. This is Jim Meza. Thank you.

MR. WIGGGINS: And I don't have any more. Thank you, Mr. Bishop.

(Deposition concluded at 4:33 p.m.)

CERTIFICATE OF REPORTER

STATE OF FLORIDA:

COUNTY OF LEON:

I, MARY ALLEN NEEL, Registered Professional Reporter, do hereby certify that the foregoing proceedings were taken before me at the time and place therein designated; that my shorthand notes were thereafter translated under my supervision; and the foregoing pages numbered 1 through 44 are a true and correct record of the aforesaid proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor relative or employee of such attorney or counsel, or financially interested in the foregoing action.

DATED THIS 16th day of July, 2007.

MARY ALLEN NEEL, RPR, FPR
2894-A Remington Green Lane
Tallahassee, Florida 32308
(850) 878-2221

GEORGIA)

: CERTIFICATE OF OATH

COUNTY OF FULTON)

I, the undersigned authority, certify that Larry Bishop _____ personally appeared before me at 675 W Peachtree St NW, _____ Atlanta, Georgia _____ and was duly sworn by me to tell the truth.

WITNESS my hand and official seal in the City of Atlanta _____, County of Fulton, State of Georgia, this 12th Day of July, 2007.

BRENDA S. SLAUGHTER NOTARY PUBLIC ROCKDALE COUNTY EXPIRES GEORGIA JULY 29, 2010

Brenda S Slaughter

Notary Public

State of GEORGIA

Personally Known X OR Produced Identification _____.

Type of identification produced _____.

Brenda S. Slaughter
Notary Public, Rockdale County, Georgia
My Commission Expires July 29, 2010

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July 17, 2007

James Meza, Esquire
AT&T Florida
150 South Monroe Street, Room 400
Tallahassee, Florida 32301

Re: Petition for relief from COLR obligations
Docket No. 060822

Dear Mr. Meza:

Enclosed is your copy of the deposition of Larry Bishop taken in the above matter on July 12, 2007.

Since reading and signing was not waived, we are enclosing an errata sheet and request that your office make arrangements with the witness to read the deposition and make any corrections on the errata sheet.

Please forward the original completed errata sheet to Jane Faurot at the Commission for attachment to the original transcript and a copy to Floy Self. You should also attach a copy to your transcript so that it will be complete.

Thank you for your cooperation in this matter. It was a pleasure working with you.

Sincerely,

Mary A. Neel

/mn
cc: Floyd Self, Esq.
Jane Faurot

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ERRATA SHEET

Under penalties of perjury, I declare that I have read the foregoing transcript of my deposition, pages 1 through 45, and that the facts stated therein are true, including any corrections and/or amendments listed below.

Date

LARRY BISHOP

Page	Line	Correction or Amendment	Reason for Change

Deposition taken on 07/12/07, Docket No. 060822

EXHIBIT NO._____

DOCKET NO.: 060822-TL

WITNESS: N/A

PARTY: Staff

DESCRIPTION:

Nocatee's Supplemental Response to AT&T Florida's Second Request for Production of Documents (No. 10)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060822-TL EXHIBIT 11
COMPANY FL PSC Staff
WITNESS Stip-11
DATE 07-24-07

PROFFERING PARTY: Staff

I.D. No. STIP-11

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of BellSouth Telecommunications, Inc. for Relief from Carrier-of-Last-Resort Obligations Pursuant to Florida Statutes §364.025(6)(d).	DOCKET NO. 060822-TL DATE FILED: July 23, 2007

NOCATEE DEVELOPMENT COMPANY, SONOC COMPANY, LLC, TOLL JACKSONVILLE LIMITED PARTNERSHIP, PULTE HOME CORPORATION AND PARC GROUP, INC.'S NOTICE OF SERVICE OF SUPPLEMENTAL RESPONSE TO BELLSOUTH TELECOMMUNICATIONS, INC. D/B/A AT&T FLORIDA'S SECOND REQUEST FOR PRODUCTION OF DOCUMENTS, ITEM NO. 10

Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc. ("Nocatee") by and through its undersigned counsel, hereby files and serves Notice that it has served its Supplemental Response to BellSouth Telecommunications, Inc.'s d/b/a AT&T Florida's ("AT&T") Second Request for Production of Documents, Item No. 10 by hand delivery to Ms. Nancy Sims, AT&T Florida, 150 South Monroe Street, Suite 400, Tallahassee, Florida 32301 on this 23rd day of July, 2007.

FLOYD R. SELF
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(850) 222-0720

Attorneys for Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served on the following parties by Hand Delivery (*) and/or U.S. Mail this 27th day of July, 2007.

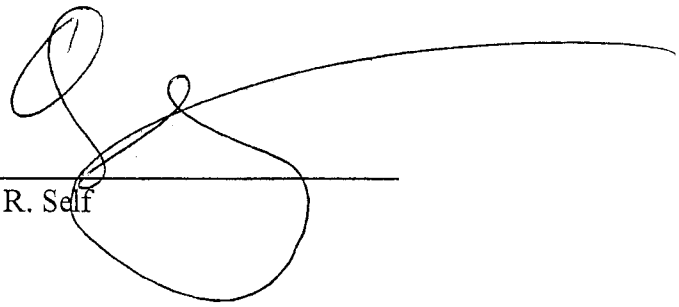
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Floyd R. Self

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition of BellSouth Telecommunications, Inc. for Relief from Carrier-of-Last-Resort Obligations Pursuant to Florida Statutes §364.025(6)(d).	DOCKET NO. 060822-TL

NOCATEE DEVELOPMENT COMPANY, SONOC COMPANY, LLC, TOLL JACKSONVILLE LIMITED PARTNERSHIP, PULTE HOME CORPORATION AND PARC GROUP, INC.'S SUPPLEMENTAL RESPONSE TO BELLSOUTH TELECOMMUNICATIONS, INC.'S D/B/A AT&T FLORIDA SECOND REQUEST FOR PRODUCTION OF DOCUMENTS, ITEM NO. 10

COMES NOW, Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc. ("Nocatee") hereby submit their supplemental response to BellSouth Telecommunications, Inc.'s d/b/a AT&T Florida's ("AT&T Florida") Second Request for Production of Documents, Item No. 10.

REQUEST FOR PRODUCTION OF DOCUMENTS

10. Any and all documents regarding Nocatee's decision not to have an exclusive agreement with Comcast for the provision of voice services within the Nocatee development.

NOCATEE'S RESPONSE: Nocatee objects to this request to the extent it seeks information that is irrelevant to the subject matter of this proceeding and not otherwise likely to lead to the discovery of admissible evidence. Subject to, and notwithstanding such objections, Nocatee states that there are no documents responsive to this request.

NOCATEE'S SUPPLEMENTAL RESPONSE: Notwithstanding the foregoing, Nocatee has identified the attached documents as also responsive to this request.

Respectfully submitted this 23rd day of July, 2007.

Floyd R. Self
Messer, Caparello & Self, P.A.
P.O. Box 15579
Tallahassee, FL 32317
(850) 222-0720

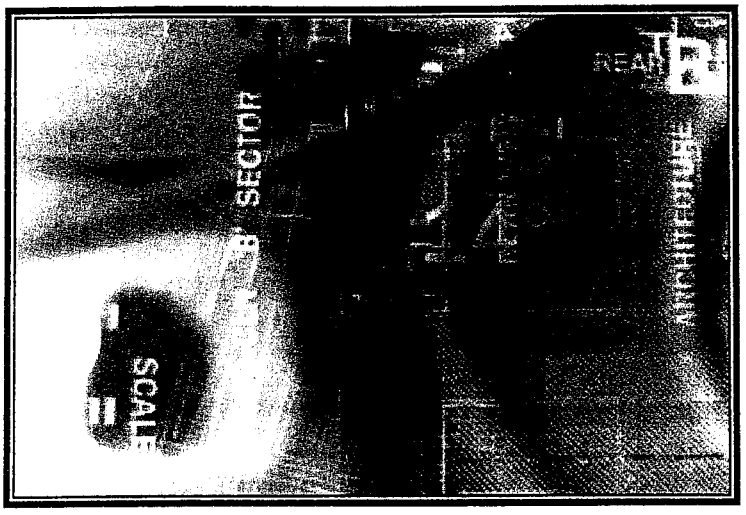
Attorneys for Nocatee Development Company, SONOC Company, LLC, Toll Jacksonville Limited Partnership, Pulte Home Corporation and Parc Group, Inc.

000517

Docket 060822-TL - Nocatee's
Supp. Response to AT&T's 2nd
POD Item 10 NOC-59

NOCATEE
TECHNOLOGY MASTER PLAN

FOR EXTERNAL DISTRIBUTION



JULY 2004

PREPARED BY THE BROADBAND GROUP

This Plan was developed by The Broadband Group (TBG). It has been prepared for use exclusively by The PARC Group as a guideline to planning and implementing telecommunications services and initiatives in the Community. In preparing this Plan, TBG has relied on the information, plans, drawings, blueprints, and other materials supplied by The PARC Group and its affiliates or agents. Any changes subsequently made to such plans or information may detrimentally affect the performance and implementation of this Plan and any services defined herein based on issues related to compliance with Deed Restrictions, CC&Rs, any federal, state, or local regulations, as well as Development Agreements or approvals related to the Community's Development Master Plan. No warranty is expressed or implied as to specific performance or the delivery of any particular service whether or not referenced in this document. This Plan was developed with the goal of providing an organized global planning platform for the delivery of voice, data, video, and telemetry services; however, telecommunications service definitions have undergone rapid change in the past and are expected to continue to do so. This Plan will be periodically updated based on ongoing progress with related initiatives and industry change. TBG expressly disclaims any liability resulting from the use of, or reliance on, this Plan by persons other than The PARC Group representatives, or in conjunction with development plans other than those provided to TBG for use in the preparation this Plan. Those reading, reviewing, utilizing, or relying on this Plan bear the sole responsibility of ensuring that they are in possession of the most recent and current edition as held by The PARC Group.

Version 1.0
07/01/04

Docket 060822-TL - Nocatee's
Supp. Response to AT&T's 2nd
POD Item 10 NOC-60

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000520



1.0 The Telecommunications Vision & Planned Services

The PARC Group is committed to developing Nocatee as a model community of 21st century planning and development. While telecommunications and a Technology Master Plan (TMP) have not historically been a development priority, the impact and increasing consumer demand for information services, as well as the need to link new communities with existing centers of population, now places technology and network infrastructure as a key development priority.

- Recent changes in regulation, as related to telecommunications and service providers, have defined the potential for multiple (or at the very least "choice of") service providers in a given community.

- The challenging process of "entitlement" now demands innovative land use planning; a key component of this Technology Master Plan and the process by which it will be completed.

- The development community interacts with the consumer and defines consumer/customer value in ways that telecom services generally do not. In this regard, this Plan defines, creates, and implements the opportunity for the Nocatee development to increase telecom revenues, ensure community-wide delivery of services, encourage advanced fiber infrastructure, and foster a new (and recurring) source of revenues to the varied partners in the development process.

- This is a region of the US telecom market where Competitive Local Exchange Carriers (CLECs) have built and operate competitive residential networks. TBG is pursuing qualified competitive providers as outlined throughout this Plan. With this opportunity, the development team must understand its role in partnering in such a manner so as to assure maximum bandwidth infrastructure, create compelling local content, and provide for the capability of introducing advanced services to the community such as energy management, life safety, and security. This TMP outlines the planning and economics of telecommunications services by partnering with local and regional providers in either St. Johns or Duval Counties.

The PARC Group - by maximizing the value of advanced telecommunications and technology through novel partnerships with industry leaders - recognizes the obligation as well as the "opportunity" to create a community that serves as a model by which the delivery of innovative services and applications can be offered to all residents. Based on a foundation of "always on" high-speed connections within the home, a custom-built community intranet portal, and compelling local content, Nocatee's technology plan should evolve to the point of offering a package of bundled digital services (BDS). These services will include video, on-demand interactive multimedia applications, voice, high-speed data, and extreme local content information to every individual that lives and works in the community.

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Advanced technology will play an increasingly important role in the personality of the American home and the productivity of global industries and, with appropriate infrastructure planning, will add a vital and valued amenity to Nocatee. This Technology Master Plan provides an important opportunity for Nocatee and the selected telecommunications and technology providers to differentiate this community from the norm. The community will package products and services through a telecommunications infrastructure designed for its content, and not the industry in general. Private and public sector needs will be met through centrally managed network strategies. The strategic alliance between PARC Group and its selected Telecommunications Service Providers' (TSPs) network must be capable of serving as a highly interactive platform upon which to create and deliver advanced telecommunications services throughout the development.

Advances within the telecom industry are rapidly changing the pace, quality, capabilities, and personality of American communities. Affecting everything from business services to educational curriculum to home automation, technology is no longer a specialized interest or industry. The "Information Millennium" enables individuals and businesses to communicate in ways never before imagined. The challenge is not simply in building sophisticated networks, but in effectively educating a population on why to value technology and how to integrate its products into personal and business priorities. That is why this community has adopted a technology strategy, drafted this Plan, and focused on applications that will make a difference to its residents. Ensuring that technology is appropriately integrated is particularly challenging when the responsibility for delivering that technology is placed in the sole control and direction of the telecommunications industry.

It is important to note that the telecom industry is only recently familiar with competitive markets - bringing with it associated competitive challenges. Telecom initiatives are just now beginning to create networks that can seamlessly deliver broadband services to the home as effectively as they have historically done to business and commerce facilities. As this development team has acknowledged, crippling regulation, shortsighted economics, and untested consumer requirements have left the American home orphaned in comparison to the more lucrative business environment. Unless, or until, communities adopt a Technology Master Plan such as this, unlinked, unbundled services and applications will make it impossible for an individual consumer to acquire such services cost effectively and then integrate them seamlessly into the home and everyday activities.

Technology is the economic development driver for the 21st century. Properly integrated technology will sell homes. Community-wide advanced technology services and applications will bring new businesses and jobs to the development. Technology will provide great advances in communication and help to facilitate the growth of a strong community. A carefully planned and integrated package of services, along with the creation of distinctive community-based applications complementing the lives of consumers, is something that will be unique to Nocatee and serve as a model to the greater community, the nation, and the global economy.

The technology objectives defined in this document require partners. Today, many telecom companies have the capability to change the components and economics of networks, allowing for next generation integrated broadband telecommunications services in a format that does not compromise American consumers demand for connectivity. What stands in the way? The lingering reluctance of regulatory reform, a relatively untested consumer interest in ***true*** high bandwidth services, and the uncertainty of network standards all lead back to the simple fact that communities must define their requirements ***before*** telecom providers understand how to deliver services that meet these requirements. This statement of requirements is this Technology Master Plan.

The PARC Group understands that effective planning today will ensure that access to seamless broadband technology extends beyond one-way services to the television, home computer, or Internet device in the home. While Nocatee is versed on how to create communities and construct residential dwelling units, this TMP turns the development process into an outline of the needs of the future community. Through the implementation of this Plan, our efforts have the clear objective of forging a partnership that blends technology with community development expertise and which dramatically changes the way residents and businesses communicate - affecting families, improving the quality of life, and advancing economic development.

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The vision of this Technology Master Plan is to develop a "hidden" infrastructure that is simply "there," and effectively creates the pathway and conduit linking every building and every individual in the community. While the business objectives laid out in this plan require an advanced fiber, no compromise network infrastructure, The PARC Group will ensure that its building designs and technology concepts are transformed into a compelling package that exceeds consumer's needs and delivers the necessary bandwidth consumption to support such an installation.

In addition to standard cable television, local telephony, and data services, the infrastructure defined in this TMP and intended for Nocatee must include a scaleable and achievable mix of advanced digital broadband applications and services with the cutting-edge infrastructure required to support them. Nocatee's high bandwidth network facilities, community intranet, and advanced low-voltage structured wiring will enable the utilization of these applications and services. The community development team recognizes that these (and other) services will evolve as bandwidth reliability improves and, as such, it is anticipated that many applications will be introduced over time. Integration of new services and technologies will create its own brand of value to the community's residents and businesses. That value will equate to network economics, return on investment, and lifelong upgrades to the community infrastructure.

It is acknowledged that Nocatee is being developed in and around two counties; both enjoying rapid growth and development and both well served by multiple layers of infrastructure and carrier presence. In this regard, Nocatee faces a number of options and decisions. Does the community tie itself to the incumbent telecom providers serving one or both of these counties; does it select an early stage provider; does it look to out-of-region providers; or does it go it alone? Ultimately, an interesting mix of options present themselves and are addressed and outlined later in this Plan.

1.1 Residential Services & Applications

The broadband infrastructure required to meet the requirements of this Technology Master Plan must provide homebuyers with the value-added advantage of accessing increasingly sophisticated communications, utility, and home automation services. Aside from the attraction and convenience of high-tech gadgets, the practical benefits of home systems include "always on" high-speed access to a community infrastructure capable of reducing energy costs, increasing the productive use and integration of home electronics, and an ability to interact with the community regardless of one's physical location.

Homes and Homeowners must be enabled to utilize services as outlined below:

Television-Based Services

- Legacy (Traditional) & Analog Television (CATV) Entertainment Services
- Digital Broadcast CATV (incorporating on-screen navigational services; high definition television (HDTV); viewer controlled video entertainment; true, real-time on-demand entertainment services), DVR, and other programming enhancements
- Digital Broadcast Audio
- DTS Enabled Programming

On-Demand and Interactive Applications

- Entertainment/Video-on-Demand
- Interactive Multimedia Gaming
- Electronic Commerce (e-commerce)
- Transactional Services
- Specialty Programs (including customized and tailored programming delivered to individuals and groups)

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- Computer-integrated entertainment including home video archiving and libraries, streaming video content, and personal video programming

Voice and Data Services

- Narrow Band Telephony
- High-speed (Ethernet based) Data Services & Connectivity
- Video Teleconferencing
- Video Telephony
- IP (Internet Protocol) Telephony
- Wireless personal communications services including voice, messaging, video, and personal safety

Information Services

- Community-wide Local Area Network
- Local Community Server (on-site to provide customized local content)
- Community-wide Electronic Mail (e-mail)
- Discussion Groups (chat)
- E-commerce
- Bulletin Board Services (BBS)
- Personal Calendaring
- Group & Community Calendaring
- Personal Home Pages

Home Office Business Applications

- Commerce-based High-speed Data Services
- Company Intranet
- Business E-mail
- Desktop Video Conferencing
- Financial Services
- Transactional Security

Healthcare Services

- Remote Diagnostics Healthcare
- Personal Health Management

Educational Services

- Distance Learning
- School Intranet
- School E-mail
- Electronic Student Portfolios

Energy Information and Telemetry Applications

- Time of Use Pricing & Real-time Pricing
- Demand Side Management Applications (Distributed Load Control)
- Outage Detection
- Segregated Billing
- On-line Energy Use and Forecast
- Electronic Billing and Bill Payment

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- Home Automation Applications
- Lighting Control
- Security Systems
- Home Appliances
- Electronic Equipment

1.2 Business & Commercial Services & Applications

Business environments today demand access to integrated advanced technology services and interactive multimedia as part of day-to-day operations. The eventual development of commercial properties at Nocatee brings these service requirements into the planning space now. This community's Technology Plan misses the point if it only focuses on services to the home. Commercial applications represent one of the fastest-growing and most profitable segments of information services. For many companies, competitive global connectivity is a non-negotiable requirement and creates opportunities to communicate and conduct business with local, regional, national, and international suppliers and customers. Most significantly however, business and commercial services drive the economics of broadband to the home - even if a community constructs only residential dwelling units. Adjacent commercial and business requirements extend the economics of the community infrastructure and advance the potential of successfully launching this Technology Master Plan.

The TMP contemplates commercial services and revenues, and plans to recruit local content developers to provide direct or hyper-linked connectivity for locally based services.

Business Services & Applications

- E-mail
- Video Telecónferencing
- Telecommuting
- Access to On-line Information and Database(s)
- Financial Transactions
- Integrated File Sharing
- On-line Energy Use by Facility, Device or Circuit
- On-line Energy Control and Management
- Electronic Billing and Bill Payment
- Real Time and On-Demand Meter Reading
- Energy Sub-metering for Multiple Tenants

1.3 Education Sector Services & Applications

Knowledgeable educators and educational institutions embrace communications technology as a means to facilitate new learning opportunities. High-speed connectivity will extend the manner in which the educational district can communicate, therefore enabling advancements in creative teaching methods.

Education Services & Applications

- Continuing and Adult Education
- Distance Learning
- High-speed Access to the Internet
- On-line Degree Programs

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1.4 Healthcare Sector Services & Applications

Today, healthcare providers are finding interactive, media-rich applications more effective than traditional practices used in the documentation and application of medicine and medical practice. Many network-based services have been developed to address the needs of the healthcare community. This TMP recognizes a number of specific factors related to the size, scale, location, and growth rate of Nocatee.

- Nocatee will be a remote location for many years, lacking the scope and population base to support large scale sophisticated medical service centers.
- Nocatee will require immediate access to world-class healthcare in spite of this "remote" location.
- Broadband connectivity can reduce and eliminate the distances from Jacksonville, Pone Vedra, or other urbanized areas in delivering diagnostic and wellness services.

This TMP intends to highlight remote and locally based services and add these to the network requirements of the community. In spite of need, value, and efficiency, few if any community based networks are designed with the capability of seamlessly delivering the bandwidth needed to meet this emerging provision. It will be particularly of issue during the first years of Nocatee's development cycle when service requirements will not necessarily correlate with service availability.

Nocatee's telecommunications network requirements must define, support, and enhance the capabilities of healthcare providers - wherever they are located. The PARC Group anticipates working with healthcare providers in the area of wellness, education, prevention, home health, and remote diagnostics. The advanced network within the community must provide an interactive communications medium between healthcare providers and patients. Healthcare intranet content will also be developed to educate the community and deliver preventive care information. It is understood and anticipated that Nocatee's healthcare partners will ultimately contribute to this Technology Master Plan by defining the specific services to be delivered. Integration into an orderly listing of services and bandwidth minimums is one of the objectives of this document.

Community Healthcare Services & Applications

- Telemedicine/Remote Diagnostics Monitoring
- Public Access to Healthcare Information & Education
- Remote Diagnostics and Consultation
- Electronic Medical Records
- Lifetime Health Record
- Electronic "Health Coach"
- Personal Health Monitoring
- Pharmaceutical Services
- Clinical Services
- Prescription Orders

Physician & Facilities Services & Applications

- Electronic Patient Records
- Medical Imaging & High-resolution Graphics
- MRIs & CAT Scans
- Clinical/Financial Transactions
- Transcripts/Medical Records Abstracts
- Claims Submission

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Health Education and Information Services

- Integration to Physician Network
- E-mail
- Video Conferencing
- Current On-line Information
- Advanced User Interface and Navigational System
- Continuing Education

1.5 Community Organization and Government Agency Services & Applications

This Technology Master Plan must help foster communication among residents, recreational groups, retail establishments, commercial centers, and the Nocatee community as a whole. The PARC Group foresees that all members of the community will be electronically connected through an intuitive and easy-to-use high-bandwidth information system. This will assist in communications with elected representatives (in either or both counties) as well as create the ability to administer effective and interesting community-based programs. As this TMP is integrated into the overall network design, the ensuing telecommunications infrastructure will become the lifeline of the community when it capitalizes on the vast information connectivity it has at its disposal.

Residents and businesses can increase their ability to communicate with community organizations as well as local, state, and federal governments. This assures quick and efficient transactions such as electronic payment of HOA dues or of registering motor vehicles, all the while engendering business accountability.

Community & Government Services & Applications

- Bulletin Board Notices
- Electronic Voting
- Home Video Access to Association Meetings
- Calendaring

Community Association Database Support for

- Residential Owners and Apartment Tenants
- Commercial Members

Access to Local, Regional, and State Services

- Tax Assessment
- Department of Motor Vehicle Services
- Engineering
- Public Records
- County Services
- State Services
- Local and Regional BBS

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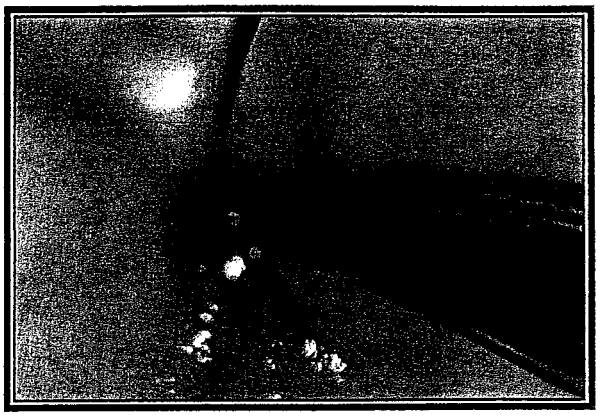
1.6 Community Information Center Services & Applications

A Community Information Center may be designed to provide sales information to commercial and residential buyers. It will also provide an opportunity for the Nocatee technology team to showcase the network's impressive capability and to literally 'sell' bandwidth.

Community Information Center Services & Applications

- On-line Interactive Information (entertainment, community affairs, local information)
- Touch Screen Kiosks (multimedia presentations of information related to Nocatee)
- "Smart Card" Technology (to collect visitor/presales data and provide a souvenir experience to the visitor(s) of Nocatee)

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2.0 Structured Wiring (Pre-wire)

Homeowners at Nocatee will demand access to a vast array of information. At home productivity increases the potential for successfully introducing "telecommuting" as an effective anti-traffic strategy, for mitigating the distances from Jacksonville, Ponte Vedre, and other developed areas, and to advance the attractive qualities of rural development. More home-based businesses are operating today than ever before and personal computer ownership is virtually ubiquitous. Further, educational institutions are gearing more classes and curricula to "send and receive" formats, and authenticated on-line education has quickly become a realistic path for advanced educational training and certification. Essentially, this means that the use of high-speed information services in the home as well as the demand for instantaneous network response has now become a necessity for the modern American family generally, and for Nocatee specifically.

The PARC Group will, through this Technology Plan, require the installation of advanced home pre-wiring specifications to facilitate the delivery of high-speed information services, entertainment, home automation, educational programs, and home-based medical services community-wide. This Design Specification deed restriction is the foundation of the community's overall technology requirements.

2.1 Overview

A significant part of this Technology Master Plan includes development and preparation of the Residential, Multiple Dwelling Unit (MDU), Single Family (SFU), and Commercial Low Voltage Structured Wiring (Pre-wire) Guidelines for all vertical construction in the community. This will address the design of homes, offices, schools, and public facilities in Nocatee. While ensuring the successful delivery of network-based services, these specifications have proven to contribute to the rapid absorption of homes, offices, educational facilities, and retail facilities within technologically distinct communities. Creating this wiring platform to transport and deliver advanced communication services will provide Nocatee with both a competitive advantage over other future developments as well as create the foundation for the infrastructure to support the communications needs, services, and applications of the development. These specifications will be included in the architectural guidelines and/or the CC&Rs (Covenants, Conditions, and Restrictions) of the community. Its purpose is to ensure forward compatibility for new services as well as the obligation to support the network interface and services necessary to achieve the Technology Master Plan objectives for Nocatee.

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Traditional home wiring systems installed in the majority of dwellings in America are not adequate to support the advanced services and applications intended for Nocatee. The specifications for this community will be to install a high-quality, high performance wiring infrastructure to deliver the information services to residents anywhere in their home.

Examples of some features the Nocatee specifications will enable include:

- Computer resource sharing, including printers, files, hard drives, and modems shared among rooms and to/from office locations.
- Distribution of video, including VCR, DVD, satellite dish, and security camera signals to all receiving devices in the home.
- Integration of disparate home systems. Enabling security sensors to monitor and control lighting or temperature settings, to access home control systems remotely via Internet Protocol (IP), and to introduce true home control and management schemes.
- High-speed data connectivity throughout the house to commercial on-line services or to work systems for telecommuting.

It needs to be stressed that Low Voltage in-home Structured Wiring systems are as critically important as plumbing or electrical systems when it comes to construction activity within the development. Wiring considerations extend not only to the capacity, quality, and proper installation of the installed products, but also to the placement of connections throughout the residence. Mandated compliance with these specifications should enhance the image of this development as it will create a true "Connected Community" with an infrastructure that will increase the rate of home sales, support the rapid development of offices and retail facilities within the community, and ease the process of installation and delivery of advanced broadband services.

The PARC Group and its telecommunications and technology partners will work as a concerted group to ensure that these specifications meet the needs of the Nocatee network, and concomitantly will ensure compliance with consumer electronic industry guidelines, CEBus, OSGI, TIA/EIA, NCTA Standards, FCC regulations, and Digital Audio-Visual Council Specifications. The development team and The Broadband Group will ensure that builders have access to the information, training, and inspections necessary to successfully incorporate the Nocatee Low Voltage Structured Wiring Specifications into homes.

2.1.1 Structured Wiring Provider Partnership

The Technology Master Plan will identify approved vendors who meet the Nocatee Specifications for an 'open' protocol, minimum configuration wiring system. The drafting and circulation of a Request for Proposal (RFP) to secure most-favored pricing and marketing alliance opportunities will be a component of the TMP as well. The Broadband Group (TBG) will review vendor proposals, complete vendor due diligence, and assist in final contract negotiation and pricing.

2.1.2 The Builder Program

Nocatee and TBG will develop and manage a program to train and educate builders/superintendents on the strategic as well as technical importance of residential and commercial pre-wire Guidelines (including industry trends, current technologies, and future infrastructure requirements), provide installation training to building contractors, and perform inspections to ensure compliance with the specifications.

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2.2 Highlights of the Nocatee Pre-Wiring Guidelines

- Homes must contain a minimum of four Universal Outlets and two Data/Voice Outlets: Universal Outlets containing a minimum of two RG6 tri or quad (minimum effective shielding of 80%) coaxial cables and two CAT 5E twisted pair cables with appropriate connectors, and Data/Voice Outlets containing two CAT 5E cables with appropriate connectors.
- Homes must contain a CPC of appropriate size, centrally located with modular interconnection devices and 110 VAC supply contained within.
- Wiring systems must include additional conduit from/to the following locations: from the NID to electric and gas meter locations if they are not located within 6' of the NID(s) (one 1"), from the NID to CPC (one 1"), and from the CPC to the first floor or ceiling plane (two 2").
- All conduits must contain a pull string labeled "for communication use only".
- Additional runs of CAT 5E must be run from the service center proximate to the 110 VAC service panel, HVAC thermostat location(s), and security system location(s). These runs of CAT 5E are left without termination, for the addition of enhanced services.
- Only RG6 (2.2GHz rated) tri or quad shield coax with minimum effective shielding of 80% and CAT 5E wiring may be used within the home, regardless of placement.
- All cable runs must adhere to minimum bend radius specifications and must include a minimum of 18" additional cable behind box or mud ring.
- All cable runs must be at least 12" from parallel 110 VAC runs and if crossing, must do so at 90-degree paths.
- All cable runs must utilize modular jacks and plugs for cross-connection, be home run, and must be labeled to identify termination location.
- No hard fasteners may be used in the pre-wiring or trim-out stages.
- Cabling exiting the home at the NID location must exit at the same point, and must include at least 30" of additional cabling.
- All CPC, cabling, and connectors must meet approved vendor criteria or approved equivalents.
- All connections must meet minimum criteria for RG6 and CAT 5E termination.

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3.0 The Physical Network (Infrastructure)

The focus of this section is on broadband access technologies and which of these technologies will "qualify" as the appropriate solution to deliver the services of this Plan. High-speed services - often referred to as "broadband" - provide connections for Internet and digital telecommunications applications at greater speeds than is currently available through traditional dial-up. There continues to be industry debate as to what level of speed represents true broadband, and what access technologies must be installed to achieve these levels. Generally, services provided in excess of 144 kilobits/second (Kbps) are referred to as broadband. Digital Subscriber Line (DSL), and cable modem technologies are the most commonly installed networks, however this Plan also discusses higher and faster bandwidth technologies using Fiber-to-the-Home and Ethernet protocols. The term broadband applies to inter-city (transport) as well as end-user (access) networks.

The forthcoming sections address the network design, infrastructure, and service delivery of broadband in the community. With the recent advances in technological innovation and industry competition, a large development such as Nocatee has the ability to entice a telecommunications service provider to commit the necessary financing and resources to develop and deploy a truly state-of-the-art broadband telecommunications backbone. Once accomplished, this network must assure leading edge, competitive services to business and residential neighborhoods in the community. An all-fiber broadband network will transport advanced services, encourage broad-based subscription, increase bandwidth consumption, and deliver the necessary economics to support pure fiber: ***everyone wins.***

An opening of competitive markets and services in all sectors of the telecom industry now provides the opportunity to offer a packaged "suite" of services ranging from local and long distance telephone, IP (Internet Protocol) telephony, high-speed data, and integrated broadband multimedia entertainment services. The PARC Group must place a high priority on a realization of this vision for its community without having to make concessions of quality or capability, or becoming independently responsible for the financing of the network. A variety of options will, however, be explored in this Plan and throughout the development process.

The challenge remains not in the technology, rather in the development of services and applications that the consumer understands, appreciates, and ultimately purchases. In many cases, telecommunications service providers (TSP) are entering new markets dominated by legacy engineering, absence of competition, and lack of broad-based consumer use of bandwidth. These factors contribute to the challenge of positively influencing a progression of network plans, economics, and consumer acceptance. In the end, though, only a community can define connectivity. Once this is done, the appropriate network can be planned.

A PARC Group/TSP partnership effectively addresses this competitive challenge through a strategic alliance between a community developer and service provider, and will be detailed and defined further throughout this Plan. Nocatee is the ultimate "greenfield"; with no existing infrastructure requiring retrofit, no artificial barriers

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to connectivity, and a County governance process that is open to "creative" competition. Nocatee has the size, scale, location, and development potential to create a true digital city that may just become a national model.

This Plan and its requirements recognize that any network investment must show a return. Simply composing this TMP and "demanding" that a carrier build a Fiber-to-the-Home network is not an objective of this Technology Master Plan. The economics of building such full service access covering local phone, cable television, multimedia, IP telephony, business communications, Internet (high-speed data) access, and other communications and entertainment services must be complemented by high take rates of these services. Together these must create the economics to support the most advanced network possible.

Any decision to invest in or select a partnering provider must be made by review of many issues and analyses. The first of these is to share the vision of this Plan by creating a "connected" or "wired" community. The investment or partnering provider would then develop customized packages integrating voice, data, and video services into the homes, offices, and local service provider locations (schools, healthcare, retail, commerce, etc.). These packages would increase product penetration, expand network bandwidth, and define the preferred infrastructure. Coupled with an extreme local intranet, these combine to create an information-based "connected community".

It is also important to note that recent (2003/2004) regulatory decisions related to network sharing and wholesale/resale issues create additional unique incentives for integrated broadband on a community-by-community basis. The FCC has (tentatively) ruled that true broadband fiber networks do not qualify as traditional networks - systems that must be opened to competitive re-sellers of products delivered on the network. In this regard, a telecom provider partnering with an innovative development team to build and operate a pure fiber broadband network is assured that it will be the sole provider on that system.

3.1 Network & Facility Options

There are two components of the telecommunications network that will eventually serve Nocatee. There is a customer access (internal premises system) component and a distribution network component. The customer or homebuilder will extend utility connections to the property line via the customer access component. In the telecom space, this "drop" facility will be defined and required as part of the Low Voltage Pre-Wire Specifications. The distribution network component is "built out" by one or more telecommunications providers. The extent to which the Developer participates will affect the options for competitive enhancements to the network as well as revenue sources to Nocatee.

Key objectives for The PARC Group include:

- Attempt to control, to the maximum extent possible, planning for and access to the distribution network, and
- Construct a "shadow" conduit system (described in detail later in this Plan) that will increase network options and future flexibility for the community.

3.1.1 Public Rights-Of-Way

One of the traditional functions of counties and other local jurisdictions is the control and administration of rights-of-way (ROW) for the benefit of the public. By implementing ordinances and administrative procedures, these jurisdictions can provide essential and reasonably equal access among its citizens and neighborhoods. Historically, this has been accomplished by establishing construction standards and controlling access via permitting and licensing processes. In addition, various regulatory vehicles govern the use of the public rights-of-

way. For example, no appropriately authorized provider or franchise holder can be arbitrarily excluded from accessing a publicly controlled right-of-way.

One limiting trend that has recently surfaced within some jurisdictions is the establishment of tighter restrictions over the use of easements, effectively creating a revenue source, with fees exceeding those necessary to administer them for the public good. This trend is without clear statute and has been strongly contested by telecommunications service providers. Legal challenges may result in ordinances being reviewed and changed in individual jurisdictions. This Plan will cover policies and regulations both in St. Johns and Duval Counties.

Nocatee has, as a reality of geography and jurisdictional responsibility, the regulations of both St. Johns County and Duval County to contend with. While this may create challenges to consistent regulatory policies, it may also allow this TMP to drive land use and regulatory reform – allowing Nocatee to make decisions that meet their land use and consumer requirements.

3.1.2 Benefits of a "Private" Conduit System

This Plan suggests Nocatee fund and obtain authorization to construct a private or ***"shadow" conduit*** system using the public rights-of-way on an equal footing with the other utilities and telecommunications service providers. This will maximize leverage during both initial and subsequent negotiations with telecommunications service providers. Revenue or other financial benefit could potentially accrue by reserving the facilities or conduit system built or directly controlled by The PARC Group, where these facilities could potentially be leased or sold in future years to one or more service providers.

Even if The PARC Group is unable to utilize the public rights-of-way to construct a shadow conduit system, this Plan continues to recommend the construction of such a system - to the extent possible - using private property and routings for the distribution system. This is potentially as effective at accomplishing the two strategic advantages described above, but its implementation is challenging, expensive, and cumbersome. An example of such complexity is the simple land use consideration that a complete conduit system may not be possible without at least a single or multiple ROW crossing(s).

3.2 Broadband Network Technologies

This Technology Master Plan will ultimately be completed through its identification of services, applications, and content WITH an identification of the optimum network to deliver these services. In order to obtain the proper network solution we must examine in detail the options, capacities, and costs of any access network eventually built within the community.

Local (access) service providers choose among several progressive, innovative, and competing technologies for the delivery of high-speed digital services to end users on a metropolitan basis. Generally, access network distances are limited to a few miles from a service facility to the end user location, which gives rise to the term "last mile" as a way of describing the role played by access networks. Emerging protocols, including aggressive fiber optic architectures, are beginning to reduce the distance challenges inherent in legacy network designs. The following mediums are available to service providers, and to this community's Technology Plan for the construction and operation of access networks offering high-speed, bandwidth-rich services:

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Common Service Type Name	Medium Type	Maximum Bandwidth	Distance Limit
Digital Subscriber Line (DSL)	Copper Telephone Wires	150 Kb/sec minimum 20 Mb/sec maximum	18,000 feet max. 300 feet min.
Cable Modem	Coaxial Cable and Optical Fiber Hybrid (Hybrid Fiber Coax)	6 Mb/sec	Several miles
Fiber In The Loop or Fiber-to-the-Home	Optical Fiber	100 Mb/sec	18,000 feet max.
Wireless Cable or Wireless DSL	Wireless Access, Radio Frequency Based	100 Kb/sec up to about 25 Mb/sec	15,000 feet max. (line-of-sight path required)
(Emerging) 802.11x	Wireless Access, Optical (Light) Based	100 Mb/sec	(line-of-sight path required, short distance limit)

The actual choice of medium is often dictated by the existing networks a service provider may have in place (not the case at Nocatee). Digital Subscriber Line (DSL) is generally the medium of choice among telephone companies, as it is designed to exploit existing outside copper networks. Similarly, cable (DOCSIS) modems are generally the medium of choice among cable companies as they use either existing coaxial cable or a hybrid of coax and fiber. Wireless platforms are an alternative choice for either type of company because of the potentially lower initial entry cost and the avoidance of "overbuild economics" (however, wireless does have maturity issues that limit applicability in greenfield networks). Optical fiber service directly to the customer premises is emerging (several networks have been constructed in the US and Asia during the last year), driven by the promise of increased total bandwidth and potentially higher reliability. The Broadband Group represents most of these FTTH networks and this architecture will be examined in detail as a favorable alternative for this Technology Plan.

Each of these technologies has very distinct benefits and drawbacks. All are heavily influenced by investment, bandwidth potential, powering, regulation, and consumer adoption rates. For the purposes of review and selection within this Plan, the more prevalent industry-wide networks are described here. One of these will eventually serve as the access network for the Nocatee community.

3.2.1 Digital Subscriber Line (DSL)

Digital Subscriber Line (DSL) is a broadband access technology that seeks to re-use or enhance existing telephone outside plant networks. These networks, constructed from bundles of copper wire emanating from central office (CO) and digital loop carrier (DLC) locations, were designed almost exclusively to carry voice signals over relatively long distances (up to several miles). In the early 1990s, telephone companies, perceiving a competitive threat in the telephone market from cable television operators, undertook developments to deliver television services through their existing telephone networks. Two technologies were combined - digital video compression and digital signal modulation - to achieve this goal. The efforts have not yet been a commercial success for a variety of reasons. However, digital signal modulation was revived in the late 1990s as a means of delivering high-speed Internet connections to businesses and residences.

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Digital Subscriber Line - Benefits:

- Can re-use existing copper wire plant (see drawbacks).
- Data-specific customer premises equipment installed only on request by new subscribers.
- Outside network equipment somewhat flexible in terms of cost efficiency at varying penetration rates (target areas can be selected).
- End-user pathway is physically "private," simplifying troubleshooting and enabling differentiated grades of service. This also has implications on data security created at the communications level (as opposed to security done in the application such as a "secure web server"). Grades of service are defined that include symmetric profiles, enabling web serving, and other outbound-intensive applications.
- Potentially enables data caching and distribution to be performed in the outside access network, enabling each end-user to have its own server of sorts.
- Uses radio frequencies that are not heavily susceptible to interference (the highest radio frequency is in the low range of short wave broadcast). Over-air radio interference usually limited to individual subscribers when damage to the access wiring occurs.
- Services are addressed on a per set-top basis which controls access to premium and on-demand services – susceptibility to program theft is thereby reduced.

Digital Subscriber Line - Drawbacks:

- Copper plant was never designed at the necessary radio frequencies (bandwidth) required by DSL, so the interface electronics necessary in the network (DSLAM) and customer premise (DSL modem) is unnecessarily sophisticated.
- An increased data rate sacrifices maximum distance, which makes DSL a non-option for a sizeable percentage of current telephone installations.
- There will be an 'arms race' to see how much data can be crammed onto the copper wires over a given distance - eventually the distance/speed limits will impose brick walls, particularly as end-to-end video content delivered through the Internet emerges.
- 1990s-era telephone network technology (digital loop carrier) caused many small electronics units to be installed in the telephone outside network (central office) - these units would need to be replaced by DSL-enabled equivalents, which is quite costly and difficult.
- Each subscriber access line must be separately DSL-enabled, so moving a subscriber from one place to another requires intervention in the outside network (costly).
- Concurrent delivery of television is not practical except in very limited conditions (pure digital video using a switching platform in a multiple-dwelling-unit environment). VDSL (very high-speed video capable) is an option, however the technology has not been universally deployed.
- Requires collaboration between the regulated (voice network) part of a phone company and its unregulated (data network) counterpart, which must be forced to cooperate in use of the shared subscriber line. This can create delays in rollout.

Digital Subscriber Line - Summary:

- This medium will encounter bandwidth exhaustion for most real-world installations at a data speed below that required for Internet delivery of real-time streaming video – so its choice would be highly dubious in a

Nocatee residential network if useful service life is expected to extend beyond about 2010, when Internet delivered video is expected to be widely available. It is quite obvious that 2010 will be in the early to mid-development cycle of Nocatee.

3.2.2 Cable Modem

Cable Modems are a broadband access technology that seeks the use of new or existing coaxial cable television outside networks. These networks, constructed from either pure coax or a hybrid blend of optical fiber and coaxial cable emanating from head-end and optical-electronic node locations, were designed almost exclusively to carry television signals (one-way) over relatively long distances (up to several miles). In the early 1990s, cable companies, perceiving a competitive threat in the television market from telephone operators, undertook developments to deliver telephone and data transmission services through existing cable television networks. Two technologies were combined to achieve this goal: two-way signal transmission and transmission of digital information through radio frequency signals. Widespread deployment of cable modems providing Internet access services has steadily increased over the last 5 years, in spite of a lack of standardized equipment and commonly accepted network transmission standards.

Cable Modem - Benefits:

- Can re-use existing coaxial cable network (see drawbacks).
- Data-specific customer premises equipment installed only on request by new subscriber.
- Standardized DOCSIS protocols (Data Over Cable Service Interface Specifications), enabling the equipment to be purchased at retail.
- Outside network, once enabled for two-way services, does not require any attention on a per-subscriber basis for service provisioning.
- Coaxial cable has high intrinsic bandwidth (approaching 2 Gigahertz), so carriage of high-speed data does not violate its basic design properties.
- Network can easily carry television broadcasts in format directly compatible with all consumer televisions. This leads to an argument for all service offerings (voice, video, data) exclusively employing cable plant media.
- While current technologies use cable spectrum in the 6 Megahertz range, this is an arbitrary limit, and next-generation cable modems will be created that utilize larger units of bandwidth, enabling higher forward (to-subscriber) maximum capacity.

Cable Modem - Drawbacks:

- Requires significant modification of existing (classic) cable networks to carry signals in both directions (to and from subscriber) as a prerequisite for cable modem services - the cost of this conversion is capital intensive.
- Carriage of data in the "reverse" direction (from subscriber to head end) involves use of radio frequencies that are quite susceptible to interaction with over-the-air broadcast such as short wave radio. Minimizing this interference requires special care on the part of the cable operator, and careful attention to customer premises cabling.
- An additional effect of reverse frequency spectrum design is that data carriage capacity from subscriber to head-end is limited. This engineering design then creates an ***asymmetric*** data bandwidth profile. An asymmetric network "governs" speeds both upstream and down. The RF or "shared" design of the network

limits total capacity and requires ongoing status and capacity monitoring. For this reason, most cable operators guard against "web-hogs" and prohibit use of these networks for web serving or hosting.

- Susceptible to denial of service (DOS) attack through radio frequency jamming.
- Available bandwidth to and from an individual subscriber fluctuates based on usage within a neighborhood ***node*** area, due to the shared nature of the architecture. Management of this sharing makes "appropriate use agreements" and other covenants with subscribers necessary.
- Susceptibility to radio frequency interference increases with any misapplied connector, and to further complicate matters, the connectors used in the cable TV application were not developed at the time widespread use of two-way cable plant was envisioned. This means that non-professional residential installations can create signal leakage.
- Within a node service area (typically a few hundred residences) the radio frequency channel is shared, which creates the real risk of signal leakage affecting multiple subscribers, and the (somewhat perceived) risk of data security being compromised (eavesdropping).
- The current business climate for high-speed data services involves an unusually close tie between the access service and associated content services - a model which has worked for the entertainment television part of the cable TV industry, but causes friction and inefficiency for data services. This means that current cable modem subscribers must accept data transmission and Internet service from the same organization.

Cable Modem - Summary:

- Clearly this has become the medium of choice for cable companies, yet logistics of deployment are arduous and few locations are actually cable modem enabled even though the technology is reasonably established.

3.2.3 Optical Fiber and Fiber-to-the-Home

The push towards higher and higher transmission speeds has driven the introduction of optical fiber in office and campus environments, allowing rates at and above 100 Megabits/second. Recently, very high speed optical Ethernet (Local Area Network) switching equipment has emerged and is undergoing the same rapid decline in price experienced by many other electronics commodities. In this regard, Fiber-to-the-Home (FTTH) is now a viable option for access networks in greenfield installations such as Nocatee. These networks are an attractive option for well-planned residential developments seeking services that are exceedingly resistant to obsolescence and highly adaptive to large penetration of bandwidth-rich services. In addition, the distance between Nocatee and existing infrastructure (despite long haul fiber running near the community) will require new headend or Central Office facilities. In this regard, carrier's legacy infrastructure decisions should be subordinate to the requirements of this Plan.

Optical Fiber - Benefits:

- Can be constructed entirely out of mature technologies. No new inventions or 'arms race' required to exploit the large bandwidth potential.
- Local connection speeds begin at 10 Megabits/second, with 100 Megabits/second realized easily, and 1,000 Megabits/second emerging as a consumer-viable service.
- Outside network completely insensitive to radio frequency interference.
- End-user pathway is physically "private", simplifying troubleshooting and enabling differentiated grades of service. This has implications on data security created at the communications level (as opposed to security

done in the application, like a "secure web server"). Defined grades of service include symmetric profiles, enabled web serving, and other outbound-intensive applications.

- Essentially secure against eavesdropping threats, as any intrusion into the optical fiber will generally destroy it.
- 2+ Km distance limit is imposed by current Ethernet standards - ongoing evolution to other signaling standards (currently underway and planned to be in general deployment prior to Nocatee's first occupancy) will eliminate this distance mandate without change to the fiber network itself.
- Potentially enables data caching and distribution to be performed in the outside access network, enabling each end-user to have its own server of sorts.
- Services are addressed on a per set-top basis which controls access to premium and on-demand services – susceptibility to program theft is thereby reduced.

Optical Fiber - Drawbacks:

- No legacy Fiber-to-the-Home networks - all service providers must construct from scratch.
- Somewhat difficult to access any services (web pages) or purchase any appliances (home computer or video device) that can actually exploit the steady data rate of 100 megabits/second. This is a speed equivalent of five high definition TV telecasts at the same time. This makes the technology an investment with its most robust payoff several years away.
- Outside-mounted (hardened) optical fiber data switches (necessary in many design scenarios) are only now emerging. While the underlying technology is commonplace, the packaging is not.
- Concurrent delivery of television is not practical except in very limited conditions (pure digital video using a switching platform in a multiple-dwelling-unit environment).
- At present, very few service providers embrace Fiber-to-the-Home. In particular, existing telephone and cable providers must overcome prejudice favoring their existing legacy networks. An ongoing multi-vendor Request for Proposal (RFP) by Verizon, BellSouth, and SBC is predicted to alter this objection. Of these three, only BellSouth can service Nocatee.

Optical Fiber - Summary:

- An almost inevitable choice for Nocatee due to its location and greenfield characteristics, and where the advent of Internet-delivered video will exhaust DSL, cable modem, and wireless radio frequency networks. It does require that current economic models be amended to better contemplate "patient money" investment and long-term return for such projects.
- Very little real-world experience in commercial applications.

3.2.4 Wireless, Radio Frequency Access

Use of digital techniques in satellite and cellular telephone networks (among other services) has driven up the cost/performance ratio of circuitry and systems that employ radio waves for transmission of digital information over moderate to long distances. In particular, personal communication service (PCS) networks, a second-generation competitor to cellular telephony, has brought consumer mass production economies to digital wireless communications that only a few years prior was the private domain of the military and commercial/industrial environments.

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The Federal Communications Commission (FCC) has worked actively to promote such technologies that would fulfill the vision of a truly competitive telecommunications marketplace. Consumer uses for digital wireless services have initially been confined to "narrowband" (a few tens of kilobits per second employed in telephony, paging, and electronic messaging systems). Competitive high-speed broadband platforms are currently being deployed by a variety of enterprises seeking to introduce these digital services into areas (rural) that may not be economically suitable for introduction of additional cable modem or digital subscriber line services. This type of service is generally referred to as "Wi-Fi" or 802.11 spectrum, and is primarily used in "hot spot" specific areas, and at present, limited to voice and data services. Broadband video is the logical next stage, however, its advent is anticipated to trail for some years. As the Technology Master Plan is completed, it addresses wireless as part of the overall community connectivity plan, but does not rely on it as the sole access technology.

It is also important to note that even in the most aggressive wireless networks, at least 50% of that network is wired or tied to a wired infrastructure.

What is important is for the Nocatee Technology Plan to correctly position wireless/Wi-Fi infrastructure and to sequence early voice and data Wi-Fi connectivity with longer-term high bandwidth video applications.

The Nocatee TMP contemplates specifically this in the following ways:

- Initial deployment of wireless PCS and Wi-Fi infrastructure to secure voice connectivity and mid-band data services.
- Construction of Towers and Repeaters to deliver Wi-Fi prior to initial occupancies.
- Integration of wireless services into long-term broadband fiber infrastructure.

Wireless, Radio Frequency - Benefits:

- No wiring installation or change required up to the customer premises.
- Initial installation costs relatively low because little or no outside wired network involved (many systems can be pure wireless from central office, through a distribution network, all the way to the end-user).
- Wide range of spectrum (900 MHz, 1.9 GHz, 2.4 GHz, 5.8 GHz, 24 GHz, 38 GHz, 802.11x) giving service providers a range of options that trade off bandwidth, distance, and reliability.
- Outside network not susceptible to damage to local loop wiring.
- Susceptibility to radio frequency and atmospheric interference generally predictable.
- Some technologies reach all the way to the consumer computer, eliminating any need for in-home local area network wiring.
- In US markets, installation of antennas on homes of 1 meter or less in diameter cannot be precluded by private or public regulation.

Wireless, Radio Frequency - Drawbacks:

- All service providers must construct from scratch.
- Highly susceptible to denial of service attack by mobile radio emitter.
- Intrinsic security risk concerns, due to the ability to intercept wireless radio frequency transmissions.

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- Total aggregate bandwidth flux (megabits per second per unit area) inherently limited, leading to a technology 'arms race' as products try to cram more and more data into the available bandwidth of a given area. This will reach its limits generally before widespread use of Internet-delivered video applications and demands.
- No standardization of radio products means that all manufacturing volumes are low, and per-unit cost is relatively high.
- Antennas mounted outside susceptible to electrical disturbance (lightning, etc.) and environmental damage – the system cannot be mounted underground.
- Concurrent delivery of television is not practical except in very limited conditions (pure digital video using switching platform in a multiple-dwelling-unit environment).
- Most systems have "rigid" network architectures that highly limit or fully preclude subscriber mobility (portability, motion, and roaming are usually almost impossible).
- Requires clear radio pathway between subscriber and associated "base station" antenna site - a similar installation restriction experienced by direct broadcast satellite.
- Foliage, construction, and other geographic changes can destroy a radio path that worked previously.
- Movement of a radio base station physically requires re-installation or re-orientation of each subscriber antenna (except in some very limited cases where low-frequency, omni-directional antenna technologies are used, but these are low-speed by design).
- Some related technologies claim to use radio frequency transmission through existing power transmission lines - these are generally fraudulent claims that can be debunked with basic engineering analysis.

Wireless, Radio Frequency - Summary:

- A short-term tactical solution with significant risk factors impacting potential for long-term satisfaction and scalability.
- A "launch" technology for Nocatee.
- Emerging experience in commercial applications; limited in video distribution.
- High risk of hardware investment loss due to failure of service provider (consider Primestar and Iridium).
- Wireless communications for The PARC Group is an adjunct to physical and fiber-based wire-line planning and provides alternatives to the installation of a digital broadband infrastructure for the community. Wireless connectivity must be evaluated and addressed in conjunction with wire-line infrastructure.

3.3 Summary

Selection of broadband access technologies in this market will be driven by a number of factors. In any outcome, these technologies must serve as the foundation of the Technology Master Plan, and as the community plan is formulated, partners selected, and economics identified the right network selection will emerge.

Issues to consider:

- Operators' existing infrastructure or infrastructure preferences.
- Ability to invest for short or long-term return.
- Access to rights-of-way, and other matters involving the local and state regulatory environment

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- Combination of more than one service (voice, video, data) in a shared medium.
- Internet/intranet applications and services.
- Scalability of network at start-up and launch, operation at build out.
- Data and information security.
- Standardization of equipment and economies of scale.
- Telecommunications regulatory environment (FCC, etc.).

Each choice has a particular set of attributes, which will guide the selection process:

Digital Subscriber Line (DSL):
- Telephone operator's medium of choice.
- Glaring interaction between distance of access line and available speed.
- Requires data-specific equipment in the outside network.
- Existing networks pose numerous "real world" impediments to deployment.

Cable Modem:
- Cable TV operator's medium of choice.
- Strong interaction between node sizing, spectrum allocation, and speed.
- Asymmetric data profile (subscriber-inbound favored) limits types of usage.
- Linking of network access and Internet service (ISP) poses flexibility problems (may change).

Optical Fiber (Fiber-to-the-Home):
- Leverages consumer mass production levels of Local Area Network hardware.
- 100 Megabit/second per subscriber is the theoretical threshold.
- Excellent opportunity for ISP or competitors to enter access business with unique advantages.
- Can be installed and adopted by any carrier.

Wireless (Radio):
- Consumer wireless local loop carrier services.
- Licensing either at product or service area level through FCC.
- May be hybrid of wired distribution network, or pure wireless.
- Finite bandwidth capacity limits measured in Megabits/second/square mile.

Wireless (Optical):
- Very high-speed possible through use of lasers and optical lenses.
- Narrow-beam width optimized for point-to-point interconnection.
- No licensing required; very little manmade interference threat.
- Significant environmental (weather, foliage, thermal, etc.) threats.

As this plan becomes populated with community specific data, carrier analysis, network economics, local regulatory issues, and activation plans – the development team and The Broadband Group will remain aware of certain and specific network priorities. Generally, Digital Subscriber Line (DSL) and Cable Modem technologies are transitional, in that they have been developed to exploit large legacy infrastructure. Both platforms rely on "dense modulation" methods that substitute information rate for error susceptibility, with finite limits to the maximum capacity allowable on either medium. While everything will be analyzed prior to final TMP decisions, these transition technologies may ***transition*** out of accepted network investment policies even prior to initial build out – this Plan must react accordingly.

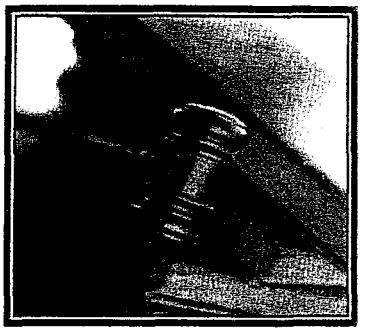
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Further, wireless platforms are best viewed as transitional, in that they become attractive primarily when a given market is not otherwise serviced by a wired platform. The unique capability of wireless, the ability to serve mobile and portable subscribers, is heavily compromised when the notion of broadband is introduced, because broadband wireless technologies all depend on operation at relatively high signal frequencies. Operation at these high frequencies (as in satellite) requires the use of directional antennas, precluding mobile and portable operations. Therefore, broadband wireless platforms involve compromises between available radio spectrum and aggregate bandwidth (when measured as data rate per unit area). Without significant changes in price, capacity, and standards, wireless cannot emerge as the final overall network selection.

Optical access networks (FTTH) are actually the least sophisticated in terms of design complexity - optical fiber carries data at very high speeds (hundreds or thousands of megabits per second) using simple on/off switching of light from a laser or light emitting diode. Complex modulation and access schemes are not required. Optical switching equipment is generally required, however, and that equipment is continually under heavy downward pricing pressure as the computer industry drives more and more technologies to mass production. Optical fiber is not currently part of most access network designs, but can be added and constructed concurrently with telephone or cable networks, often sharing common trench and support systems. Of the technologies reviewed, only optical access has the intrinsic capacity required to exploit the Internet's continuing increases in bandwidth, particularly when video delivery is considered.

In summation, Fiber-to-the-Home is the optimum network solution, with cable modem and DSL being the current standard, and wireless having select application benefits. This Technology Master Plan is drafted and committed to seek the best solution using one or more of these access technologies.

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4.0 Federal, State, and Local Regulation & Carrier Service Options

In addition to being one of the largest and most exciting new Master Planned Communities in America, Nocatee also enjoys unique telecommunications regulatory status. This is in relation to the licensing and franchising of Cable Television Operators.

In most (if not all areas) of the United States that either have been commercially developed or have General Plan approval/plans underway, there are existing legacy cable television franchise telecommunications serving rights, obligations, and policies in place. In this regard, Developers have a somewhat limited set of options in selecting a carrier, partner, network plan, or competitive provider. This is not the case at Nocatee, as St. Johns County is willing to consider geographically specific franchise areas.

The size and scale of the development affords a unique opportunity to manage, effect, or participate in new franchise approvals, carrier selection(s), and network economics. Through Deed Restrictions and Development/Entitlement guidelines, any new service provider, franchise, or license may receive approval to serve ONLY homes within Nocatee. In this regard, the Declarant has material affect on carrier economics, and as a result, the carrier and network selection becomes one of negotiation and not one of inheriting a legacy infrastructure. Any new potential franchisee selecting to serve Nocatee could do so without an obligation to overbuild other areas.

4.1 Local Exchange Carrier License & Obligation

The entire property designated as Nocatee is within the franchise or service boundary of the Certified Incumbent Local Exchange Carrier, BellSouth. As preliminary mapping has shown, however, there are no facilities-based Competitive Local Exchange Carriers (CLEC) that have any facilities in or near the community. TBG continues to research these initial findings.

This Plan suggests that Nocatee become actively involved in the review of current and prospective carriers for the area under development. It is assumed that BellSouth will rely on its ILEC status for properties (both St Johns and Duval Counties) designated as Nocatee. This Technology Master Plan will, in its next release, discuss serving plans, regulated transport options, and other carrier/developer partnership options.

4.2 Cable Television Franchise

Although there are no wired facilities for the delivery of Cable Television (CATV) within the community's boundaries, a St Johns County (also Duval) legacy franchise includes Nocatee as part of the serving obligation of the franchise holder. Comcast Communications holds this franchise and *the non-exclusive* rights to serve the

development. While it is premature to assume that Comcast will be serving as the preferred CATV provider, Nocatee will retain total marketing and local governance control over all services.

4.3 Carrier Service Options and Regulated Transport Alternatives

Once a better understanding of ILEC, CLEC, or CATV franchisees with existing facilities is complete, this Plan will outline carrier network options and facilities management plans preferred by Nocatee. The options that will be reviewed include:

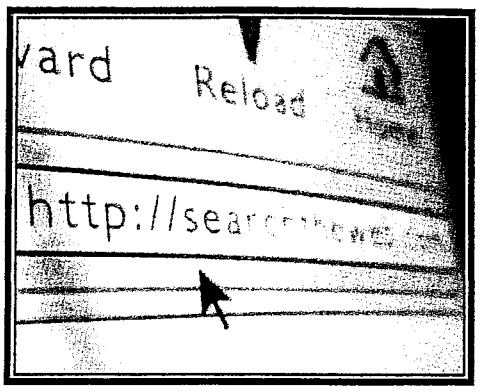
- Telecommunications facilities investment, construction, and direct service delivery by Local Exchange Carrier.
- Telecommunications/LEC investment and a combination of direct service delivery and regulated transport to independent non-affiliated third party content provider
- CATV franchise carrier investment and direct service delivery
- CATV transport
- Private Developer financed network

4.4 Review of Regulatory Options

At this juncture, the draft TMP does not determine if any of the above options might be appropriate for the community. Part of the process of determining an acceptable facilities and content future for Nocatee will include the review of the following:

- The ILEC granting will play a significant role in determining Nocatee's network and marketing partner.
- In the event Nocatee elects not to participate as a partner, investor, or marketing alliance member, the development team will nonetheless take definitive action to encourage high bandwidth pure fiber infrastructure for the delivery of all telecommunications products and services.
- The provisioning and delivery of cable television services requires the existence of a St. Johns - and in the future, Duval County - franchise. Even with existing providers already in place, additional franchises can and may be applied for and granted to new entrants. Furthermore, all such franchises would be *non-exclusive* and, in St. Johns purview, they may be geographically specific.
- All serving agreements and regulatory options will be reviewed as this TMP matures.

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5.0 The Community Network (Intranet)

One of the components to the Technology Master Plan is a highly interactive and content-rich intranet for the community as a whole. This section outlines the concept, priorities, requirements, intended content, and management of and for such an intranet or community network. Ultimately, a "vendor" or software engine will be selected via a comprehensive Request for Bid and Proposal process.

5.1 Overview

As a development seeking a higher quality of life, the Nocatee Technology Plan will be anchored with an "extreme" local content intranet or Community Network. This password-controlled, member only accessed website will serve as an empowering tool, enabling residents, local businesses, and civic institutions seamless and 'virtual' access to information and services. Founded on principles of openness and accessibility to all, the Nocatee Community Network will be a neighborhood-created, personal, dynamic, and invigorating sub-set of the Internet.

The Nocatee Community Network will connect the entire development and provide a gateway to on-line information and applications that support better health, lifelong learning, and a closer community. 24-hours a day, members will be able to browse through special interest forums, participate in newsgroups, exchange electronic mail, learn about new products and services, and chat with their friends and neighbors...down the street or globally.

To achieve maximum potential use, valuation, and resident acceptance, a true high-speed network must be installed. As such, the capacity, bandwidth, and co-branding characteristics will be outlined in carrier negotiation plans as outlined in this Technology Master Plan.

Fundamentally, the Nocatee Community Network must be developed in conjunction with the other elements of this Plan and to meet the following objectives:

- Generate locally based, locally driven information and provide services that are relevant to the community's needs and interests in an easy-to-use electronic format.
- Create an on-line community site for comprehensive Nocatee applications and services not available elsewhere.
- Engage and involve the development's residents in generating content (self-publishing) for the Nocatee Community Network.
- Help foster a greater sense of community in Nocatee.

5.1.1 Electronic Mail (E-mail)

As evidenced by the rapid growth of high-speed access, one of the most valued applications in telecommunications is e-mail - and the TMP puts this nominal, yet important, service in its proper context.

The community will obtain an Internet domain name, allowing each community member to receive a unique Nocatee-domain e-mail address upon move-in. One option in this Plan will be to assign the email address upon contract signing, allowing future residents to become part of the community intranet from the first day in which they plan to become residents. A directory of Community Members and their e-mail addresses will be accessible via password-controlled access to the Community Network.

E-mail within Nocatee should facilitate a strong sense of community, as residents use this tool as a way to meet neighbors, share ideas, communicate with local governance, engage health and education providers, as well as participate within affinity groups.

5.1.2 Discussion Groups (Chat Capabilities)

The Nocatee Community Network will offer different electronic discussion clusters each tied to affinity groups and special interest events. Members can participate in real time, interactive discussions on specific topics ranging from health and wellness, education, childcare, sports, and/or hobbies. Residents will be able to electronically "visit" local retailers, conduct interactive discussions with local and interconnected teachers, or chat with any member in general. These virtual discussions will take place in designated areas of the Community Network called chat rooms.

From a home, business, or community access terminal members will be able to participate in groups such as:

- Special Focus Groups (healthcare, childcare, gardening, cooking)
- Business Forums
- Hobby Forums
- Health Forums
- Support Groups
- On-line Tutors
- Electronic Town Meetings/Government Forums
- Community Suggestion Box

5.1.3 Bulletin Board Services (BBS)

An announcement board service should be provided to offer community members the ability to post information on an electronic community Bulletin Board. Information regarding local events, upcoming town meetings, picnics, and local theater schedules, among other things, can be posted. Examples include:

- Town Rules, Regulations, Covenants (CCRs)
- Local Governance Meetings/Events Schedule
- Volunteer Opportunities
- List of Business Hours

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- Classified Community Services
- Community Events Calendar
- Classified "For Sale" and Employment Opportunity Listings

5.1.4 Calendar

Through the Community Network, neighborhood members should be able to access calendar functions fundamental to the community. Each area of the network needs to offer calendaring functions, allowing residents and businesses to manage their time for healthcare appointments, delivery schedules, and community events.

This functionality will also allow members to add personal information to track, such as individual and personal obligations, in addition to linking the calendar to publicly–accessed community information such as golf tee times, movie scheduling, and other services:

- Local Events
- Community Events for Recreation/Clubs & Neighborhood Parties
- Retail Activities
- List of Meetings/Conferences
- Sales Events
- Health and Education Related Events
- Government and Library Events
- Town Meetings

5.1.5 Web Pages

An ever-increasing number of individuals, companies, and organizations are establishing websites on the Worldwide Web to share information, promote ideas, and sell merchandise. Home pages, as part of the local content by the selected data Internet provider, must have the capability to include text, audio, graphics, pictures, and movies.

Through the Community Network, community members would be able to develop and/or explore homes pages, such as:

- A Tour of Nocatee
- Personal and Family Home Pages
- Overview, Location, Services Directories
- Retail Home Pages, Location Maps, Services, Activities, Special Promotions
- Health Facilities Directory, Tours, and Services

It is important that The PARC Group is able to establish an easy-to-use template for residents and businesses to ensure user-friendliness, as well as continuity and connectivity of all content placed on the Community Network.

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5.1.6 Online News

This TMP envisions Nocatee working with the Telecommunications Service Provider(s) (TSPs), Internet Service Provider(s) (ISPs), or the local news service providers to offer daily information through a news link to the Community Network. This may include the daily editions of locally supported periodicals, national print media, local television, and/or other periodicals or broadcasts. These items can be stored (cached) locally on the network and will allow for quick, easy access to neighborhood and national news and information by community members.

5.1.7 The Internet

Through the Community Network, residents must have unfettered access to the vast information resources available over the Internet. The Internet is playing an increasingly important role in the development of communities and community-based information, and is a central priority in the RFP for intranet development and the eventual Community Network for Nocatee. With the completion of this Technology Master Plan, Community Network members will enjoy high-speed access to an ever-increasing range of both local and worldwide resources, such as media, commerce, corporations, educational institutions, scientists, researchers, and libraries on the Internet.

5.2 "Community Day" Interactive Seminar

NOTE: IT IS ACKNOWLEDGED THAT THERE ARE NO CURRENT RESIDENTS IN OR ADJACENT TO THE NOCATEE DEVELOPMENT. THIS SECTION MAY BE IMPLEMENTED ON A FOCUS GROUP BASIS.

Obtaining feedback from community leaders to local special interest sectors will be immensely valuable to shape the interactive services planned for the community and the final Technology Master Plan. Discussion topics for such a forum event might include:

Community Information Sharing

- How is information traditionally shared across a community?
- How can this be improved?
- In what manner would you use an on-line community calendar?
- Can you think of any applications in which the use of video would be of a great benefit?
- How do you feel about on-line Associations meetings? Drawbacks?
- What type of community information do you rely on?
- What type of community information would you like to see improved, in terms of accessibility?
- Would you be more active in your community if you could interact more efficiently?
- Would you participate in electronic voting if it were available as an option?
- Do you think community-wide public kiosks would be utilized if they interfaced with the Community Network?

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Business/Retail:

- How will business change over the next 5 years?
- How will technology affect and/or drive those changes?
- What technology tools will you use?
- What technology applications will you use?
- How can local content assist you in your business?
- What kind of services would help you grow your business?
- What are the technical needs for your business?
    - Voice, Data, Video?
- Would your business be more supportive of telecommuting if the technology was there to deliver the applications needed?
- Does your company have the security measures in place to allow employee access to information and database(s) remotely?
- Do you provide on-line financial transactions as part of your business?
- If you had the capability to monitor energy use by facility, device, or circuit on-line, would you?

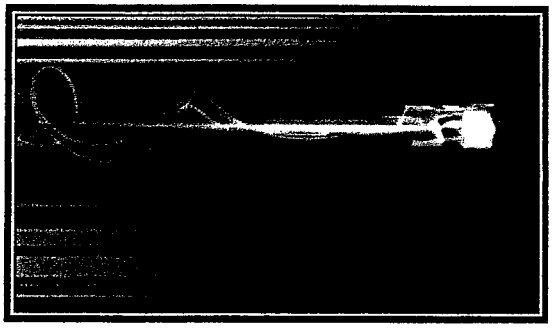
Education:

- How can on-line school registration help your institution?
- Does your institution have the resources to manage an "Ask-A-Teacher" community resource over the Community Network?
- What benefits would you envision from an electronic student portfolio program?
- How would a student absentee notification program help your institution?
- Do you feel on-line tutoring could supplement more traditional methods?
- What kinds of school clubs and organizations sites (calendar, latest news, e-mail) would benefit most from the Community Network?
- Would your institution support a "Classroom Site" (assignments, teacher messages, etc.) initiative? What kinds of benefits could be derived from this?
- Are you aware of any demand for distance learning programs and applications?
- Do you feel a supplemental distribution of report cards/progress reports would be worth pursuing?
- For college-level students, how do you feel about on-line, computer-mediated classes?

Health Care:

- Does your institution participate in or plan to participate in tele-medicine and remote diagnostics monitoring?
- How can the Community Network help to promote public access to healthcare information & education?
- Would your institution consider developing on-line electronic medical records for patients? Lifetime health records?
- Does your institution have the resources to manage an "Ask-A-Doctor" community resource over the Community Network?
- Do you think pharmaceutical services could be enhanced with on-line applications?
- Could your institution provide clinical services (lab results, prescription orders) on-line?
- Could your institution manage on-line physician appointments?
- Might your institution support or contribute to on-line health forums?
- Are you aware of any special needs support groups that could benefit from on-line community connectivity?
- Would your institution have the resources to begin a "Healthy Kids" (immunization records, childhood illness data, etc.) on-line initiative?
- Are you aware of needs or interest in "Active Adults" (in-home, self-managed, health monitoring) applications and services?

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6.0 Related Initiatives (Technology Integration)

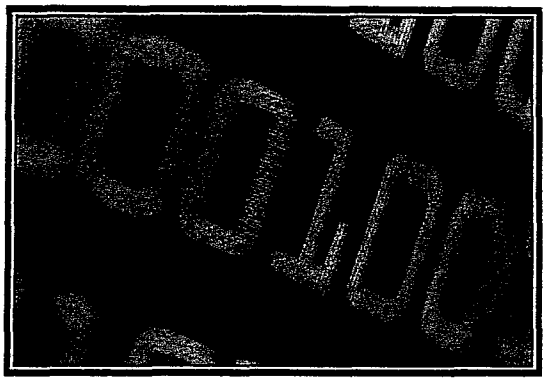
For this Technology Master Plan, the notion of advanced home control and management is broadened to incorporate the managing of all facets of residential operations including appliance, energy, computing, and communications resources.

Through the drafting of this Plan, Nocatee will create a positive environment where third-party application providers will be able to seek access to the network. This will allow for delivery of robust packages of home control and management and security services, designed to take advantage of the community's extraordinary connectivity and the in-home low voltage pre-wiring standards.

Examples of such applications include:

- Community smart cards that will serve as identification tags to enable access to community amenities (pool, tennis courts, etc.) and public kiosk stations for accessing the Community Network.
- Home security systems that can integrate video monitoring within the home, "Home Alone" child tracking, lock-and-leave applications, intrusion detection, medical alert, and remote alarm monitoring.
- Home control and management systems that will utilize the Ethernet LAN capability built into every home, providing opportunities for thermostat and lighting controls, advanced intelligent appliance controls, remote diagnostics, reporting of maintenance needs, and remote operation of appliances by the homeowner via the Community Network/Internet.
- Local e-commerce applications linked to the home, public access terminals, recreational ticketing, and reservations.

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7.0 Summary & Policy Statement

Through the implementation of this Technology Master Plan, The PARC Group and The Broadband Group seek to leverage, manage, and direct advances in technology for the community and to maximize future opportunities with selected telecommunications partners. The TMP, in essence, is a template and roadmap towards the creation of an interconnected place to live, work, and play that demonstrates the best in community and technological development, integration, and execution. Nocatee will attract those that want to participate in creating a community for the 21st century.

Working with the development team, TBG will provide services to The PARC Group to assist in realization of these goals. The first step, this Technology Master Plan, begins the process of:

- ❑ Outlining the requirements to accomplish the Plan's objectives
- ❑ Defining the economics and content of a digital broadband communications network
- ❑ Implementation of, and the obligation to, Low Voltage Structured Wiring Specifications
- ❑ Selection and integration of advanced home automation services
- ❑ Creation of the Nocatee Community Network (intranet)

Together, with appropriate alliances and partnerships, these collaborations will deliver the services and applications envisioned for Nocatee.

An alliance between Nocatee and the telecommunications industry will serve as a significant indicator of change and innovation in telecommunications services. This plan is designed to "challenge" the telecom industry to help build communities - not simply to build networks. For it is through advanced telecommunications services and applications that a development can build a community, which is truly responsive to the needs of a 21st century development. Whether it is Nocatee principles or the vision of local providers, this Technology Master Plan is drafted to serve as a cornerstone of one of the great new communities of the world.

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7.1 Community Development Policy Statement

The PARC Group has identified technology planning as an essential element for the future of its overall community development. In this regard, the following outlines a Technology Master Plan driven Policy Statement:

- Telecommunications and network-based services will play an increasingly important role in the development of Master Planned Communities.
- Proper telecommunications planning will meet the increasing demands from home-based businesses and telecommuting professionals.
- Recent regulatory changes have created opportunities for competition within the communications industry. Competition will allow single service providers to offer a package of voice, data, and video services integrated on a single managed network infrastructure.
- Multiple service providers offering individual applications will not, alone, provide true competition. The PARC Group believes that the American consumer should enjoy the benefits of competition through true packaging of services.
- The PARC Group believes that an investment or strategic alliance with selected telecommunications service providers will create a market advantage for the community and will motivate the qualified, selected, or partnering Communications Company to invest in the necessary infrastructure to deliver all of the network-based services outlined in this Plan.
- The PARC Group is committed to the formation of a development-wide Community Network to ensure on-line access to locally and remote-based information, entertainment, healthcare, and lifelong learning applications. A strategic alliance partnership(s) will accomplish this objective.
- The PARC Group authorizes its staff and administration to proceed with implementation of this Technology Master Plan.

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8.0 Conclusion

This Technology Master Plan creates the template for a community, which has recognized that connectivity, access to information, and telecommunications in general is a critically important element of overall entitlement and project development, home sales, and community expansion.

The Plan, at its core, challenges traditional economics and telecommunications regulation. It presumes that nothing should be assumed, and if implemented as drafted, creates a model for connectivity that would not be built in absence of this Plan. Technology is an untapped service and revenue opportunity unless or until a developer accepts the premise that connectivity and telecommunications infrastructure is a product of a disciplined development process.

As this planning process matures, it will adjoin more data related to carrier economics, services, and financial impact to the Nocatee development. It is not complete unless - or until - the voice, video, data, and telemetry needs of all residents are served without compromise, without regulatory concern, but with information that is of paramount interest and value to its members.



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ADDENDUM I

NOCATEE GENERAL DESCRIPTION

Nocatee is a 15,000-acre mixed-use development that spans the southeastern corner of Duval County and the northeast portion of St. Johns County.

Nocatee offers a unique opportunity for a quality of life where residents can live, work, shop, attend school, and play, all within the same community. Nocatee will evolve gradually over the next 25 years, growing in step with Florida's First Coast. With a carefully planned gradual approach, residential neighborhoods will develop with their own Village Centers offering commercial, residential, retail and recreation areas, interconnected by an expansive greenway system.

The Town Center will be the cornerstone of the community and will provide many of the services and amenities needed to sustain the residents of Nocatee. As Nocatee's "Downtown", the Town Center will include retail and specialty shopping and offices mixed with a blend of residential housing, parks, schools, libraries, and churches. Nocatee will have a network of interconnected bicycle and hiking trails and electric cart pathways connecting residential villages with the Town Center.

Nocatee neighborhoods will include a diverse and distinctive collection of conventional neighborhoods, gated communities, neo-traditional neighborhoods, and a variety of attached housing including apartments, townhomes, and garden homes.

The Nocatee developers are committed to education and will work closely with both the Duval and St. Johns County School Districts in addressing the educational needs of the region. Public school sites will be donated to the Duval and St. Johns County School Districts as need is determined. Several private school sites are also being planned.

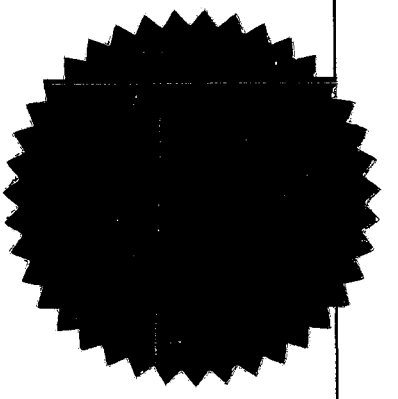
The environmental jewel of the community will be the 2,400-acre Nocatee Preserve. This Preserve borders and protects over 3.5 miles of the Tolomato River and will be placed in the conservation for future generations.

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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 060822-TL

In re: Petition for relief from carrier-of-last-resort (COLR) obligations pursuant to Florida Statutes §364.025(6)(d) for two private subdivisions in Nocatee development, by BellSouth Telecommunications, Inc.
_____/



TELEPHONE DEPOSITION OF: RICHARD T. RAY

TAKEN AT THE INSTANCE OF: The Commission Staff

DATE: July 10, 2007

TIME: Commenced at 3:04 p.m.
Concluded at 4:45 p.m.

LOCATION: 2540 Shumard Oak Boulevard
Tallahassee, Florida

REPORTED BY: MARY ALLEN NEEL, RPR, FPR
Notary Public, State
of Florida at Large

ACCURATE STENOTYPE REPORTERS, INC.
2894 REMINGTON GREEN LANE
TALLAHASSEE, FLORIDA 32308
(850)878-2221

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060822-TL EXHIBIT 12
COMPANY FL PSC Staff
WITNESS Dep of Richard T. Ray
DATE 07-24-07

APPEARANCES:

REPRESENTING BELLSOUTH/AT&T FLORIDA:

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REPRESENTING THE COMMISSION STAFF:

PATRICK WIGGINS, ESQUIRE
H. F. MANN, ESQUIRE
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

ALSO PRESENT:

DALE BUYS
DAVID DOWDS
DEVLIN HIGGINS
RAY KENNEDY
DALE MAILHOT
RICK MOSES
BETH SALAK

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STIPULATIONS

The following deposition was taken on oral examination, pursuant to notice, for purposes of discovery, for use as evidence, and for such other uses and purposes as may be permitted by the applicable and governing rules. Reading and signing of the deposition transcript by the witness is not waived.

* * *

MR. WIGGINS: This is the deposition of Richard T. Ray, president of Nocatee Development Company, taken pursuant to notice.

Thereupon,

RICHARD T. RAY

the witness herein, having been first duly sworn by Sherri L. Cox, a Notary Public in the State of Florida whose commission expires January 2, 2009, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. WIGGINS:

Q. Mr. Ray, I understand you've never had a telephone deposition before.

A. Never by telephone.

MR. WIGGINS: Okay. So I'm going to do my very best to indicate to you when we're on the record and when we're off the record, and there may

be a little bit of that going on. The first thing we're going to do is take care of some formalities about the purpose of the deposition, the form of the question, and that kind of thing.

Did you have something, Mr. Meza?

MR. MEZA: Yes. This is Jim Meza on behalf of AT&T Florida. I just want to put on the record that AT&T Florida is not consenting to the introduction of this deposition transcript into the record of the hearing, that we believe that it is inappropriate for this deposition to be used in lieu of prefiled testimony. And while we don't object to the deposition occurring, we just want to make sure the record is clear that we are not consenting and will argue that it is inappropriate to introduce it into the record if any party attempts to do so at the hearing.

MR. WIGGINS: Very good. Thank you. And all objections are reserved except to the form of the question?

MR. MEZA: Correct, agreed.

MR. WIGGINS: Okay. Floyd, are you ready to go?

MR. SELF: Yes.

BY MR. WIGGINS:

Q. Mr. Ray, would you mind please stating what your current position is. It just occurs to me, because this has been sort of disconnected, would you state your name and your address, please.

A. Richard T. Ray, R-a-y. And would you like my home address or office address?

Q. Office address and position with the company.

A. The office address is 4314 Pablo Oaks Court, Jacksonville, Florida, 32224, and my title is president of Nocatee Development Company.

Q. How long have you been with Nocatee?

A. Approximately four years.

Q. And before that, could you briefly summarize your employment history?

A. Prior to that I was president of Venture Corp. Management, a consulting firm specializing in mergers and acquisitions. And prior to that I held executive positions in a number of publicly held companies, including the Charter Company in Jacksonville, Florida, LTV Energy Products in Dallas, Texas, and Spinnaker Coating in Cincinnati, Ohio.

Q. Would you repeat the name of the last company, please?

A. Spinnaker Coating, S-p-i-n-n-a-k-e-r, Spinnaker Coating Company, and the city was Troy, Ohio,

T-r-o-y.

Q. Thank you. Could you please explain briefly Nocatee's corporate structure? Specifically, I'm not clear about its working relationship with some of its partners or holding companies.

A. I'll back up a little bit. First, SONOC is the landowner of substantially all the lands in the Nocatee Development of Regional Impact other than those lands that have been previously sold or donated. And Nocatee Development Company has been engaged by SONOC to provide comprehensive management of the Nocatee development, including business planning, project financing, land planning, engineering and construction, and land transactions.

Q. Okay. Is there any -- is that arm's length, or are there interlocking principals between SONOC and Nocatee?

A. No, it is arm's length.

Q. How long has Nocatee been in existence?

A. The approval process, the planning and approval process began approximately eight years ago, and construction officially began in October of 2005.

Q. All right. It's going to be useful to me just to get a big picture of Nocatee and the relationship of Riverwood and Coastal Oaks within that big picture.

Nocatee currently has areas that are occupied? There are folks who have moved in?

A. Yes, sir.

Q. Is that most of Nocatee or --

A. No. Nocatee is a 14,000-acre mixed use master plan development and spans two counties, the southeastern corner of Duval County and the northeastern portion of St. Johns County in Florida. Within Nocatee -- the Town of Nocatee is the largest DRI in Northeast Florida and has been approved for approximately 14,000 homes, a million square feet of retail, and a little over 4 million square feet of corporate office. And we expect that the build-out will occur over approximately a 20-year period.

We began construction in October of 2005, and also at that time, the initial residential villages, development of the initial residential villages began, and Riverwood and Coastal Oaks are two of the initial five residential villages. Over the next 15 years, there will be many more residential villages, but Riverwood and Coastal Oaks are two of the initial five. They're already under development. They've already completed development of the first phase, the master infrastructure. They are both preselling homes. Neither of them have a resident that have yet to close

on a home. I believe the first resident is scheduled in Coastal Oaks within the next 30 days.

Q. Now, as I recall, Toll Brothers is the builder for one of the developments.

A. Yes. Toll Brothers is the developer/builder for the Coastal Oaks community. SONOC sold approximately 500 developable acres to Toll Brothers, and Toll Brothers is the developer of the master infrastructure as well as the builder of all of the single-family and multi-family homes within the community.

Likewise, SONOC sold a large parcel of land in bulk to Pulte, Pulte Homes, for the development of a Del Webb active adult, age-restricted active adult community. And similar to the Toll Brothers community, the Del Webb community, which is named Riverwood, the master infrastructure for the first phase is substantially complete. Their model centers are open, and they are selling homes. Neither of those two communities have had a resident to close yet on their home.

Q. What I would like to get as clear as I can for the purpose of this deposition is the relationship between Nocatee and Pulte and Toll Brothers. Do they build according to your plans?

A. When SONOC sold the land to Toll Brothers and Pulte, there was an understanding at that time what the development plan would be, the type of homes. They were assigned a specific number of development rights for single-family and multi-family homes, and SONOC reserved certain architectural rights, review rights for architectural control, but that was more particularly for what could be seen from the master roads. Within the community, within the Toll Brothers and the Pulte communities, they have flexibility, to the extent they stay within their development plans, to build single-family and multi-family homes within the limitations of the development rights that were assigned.

Q. Well, for example, did Nocatee consult with them in determining to enter into an agreement with Comcast, for example?

A. No, sir.

Q. Can you explain how that works, what that working relationship is? That's what I don't understand.

A. In SONOC's agreement to sell the land to both or either of those developers, SONOC retained the right to develop a technology strategy and to -- I forget the right word.

Q. Install infrastructure?

A. Reserved the right to determine who the technology provider would be overall for the community.

Q. Okay. I want to make sure I understand this. SONOC owns the land, Nocatee is the agent or overarching developer for SONOC, and SONOC retained in the land when it sold it to different developers the right to determine certain things, including which kinds of communication technology would be in place?

A. That's correct.

Q. Once, for example, Toll Brothers builds a single-family residence and someone purchases that home -- I'm trying to figure out, is there any middleman between the person purchasing the home and Toll Brothers, for example?

A. No, other than a real estate agent that may be representing a buyer.

Q. Or a homeowners association which they may belong to?

A. Correct. Within a given community -- for example, when Toll Brothers acquired their parcel of land and they developed a development summary for that parcel, they determined in their case to have a high end, gated, heavily amenitized community, and also would have a homeowners association specific to that

community. Likewise, the Pulte Del Webb community was established the same way. So both of those communities have their own homeowners associations.

Q. In your agreement with Comcast, are some of the fees paid to Comcast paid through the homeowners association?

A. No, they are not.

Q. So it's paid directly from the homeowner to Comcast?

A. Yes. Any individual resident that chooses Comcast as their provider for any of the technology services deals directly with Comcast.

Q. Do you contemplate that Nocatee will enter into an agreement with Comcast or any other provider in which the provider would be paid for some part of the services out of the homeowners association?

A. No, I don't.

Q. Okay. Thanks. Could you give me a brief description of where you find yourself now in terms of the two developments and your working relationship with Comcast and your working relationship with AT&T? Could you just give me an overview of where you see yourself at this point?

A. Well, I am aware that both Comcast and BellSouth are installing infrastructure throughout the

Nocatee community. BellSouth has been granted easements to provide all of -- to install all of its facilities throughout Nocatee, in both the private and the public communities, albeit the private communities have been restricted. While the facilities can be installed, there is a restriction in the easement that does not allow those facilities to be activated for any services other than voice services.

But I am aware that throughout Nocatee, both BellSouth and Comcast are installing facilities. I know that, or at least I've been told by our engineers that BellSouth has not installed any facilities in the private communities. And I am aware that Comcast is -- well, to go back to your question as to the relationship, I think we have a very good working relationship with Comcast, and to the best of my knowledge, the working relationship with BellSouth is fine also.

Q. So you have an agreement with Comcast for Riverwood and Coastal Oaks; correct?

A. That's correct.

Q. But do you have an agreement of some sort with AT&T at this point with respect to delivering voice service to Coastal Oaks or Riverwood, if you know?

A. The easements have been -- the form of

easement has been negotiated with BellSouth and has been approved. I'm not certain whether or not those easements have been granted at this point in time. But to the best of my knowledge, the latest information I received from our engineers, there has been no construction activity by BellSouth within the private communities of Riverwood or Coastal Oaks.

Q. Let's go to the private versus public communities for a moment. Are the Riverwood and Coastal Oaks private communities nested within the public communities?

A. They're separate and distinct, separated by greenways. They adjoin public right-of-way, but they're not contiguous to each other.

Q. Is there a public community in which you've entered into agreements with AT&T for the delivery of service?

A. Yes, there is.

Q. How close are they to Riverwood and Coastal Oaks?

A. I would say within a quarter of a mile at the most.

Q. Is this agreement for the triple play, and by that I mean voice service, data/Internet access, and video, or is it something else?

A. Well, let me back up and clarify something. We have not entered into any agreements with BellSouth/AT&T to provide services. What we have done is, we spent a considerable amount of time negotiating the terms of easements that would be granted both within the private communities and within the public areas. And I'm not certain at this point in time whether or not those easements have been -- I know they've been approved by both parties. I don't know if they've finally been issued.

Q. So let's go to Comcast and Riverwood, for example. If I went to look for the agreement between Nocatee and Comcast with respect to the delivery of that service, would that be in an easement, or would it be in a series of agreements?

A. No. There are long-term agreements -- there are agreements in place between Comcast and SONOC that would cover the service for both the public and the private communities.

Q. But you do not have a corresponding type of sets of agreements with AT&T for the public areas?

A. That's correct.

A. No, it really does not provide any exclusives. What we did commit to Comcast is that -- there are no exclusive easements that were granted to Comcast, and we also agreed that we would not grant an exclusive easement to anyone else. Whether it be private communities or public communities, anybody can bring -- any provider can bring any service and put the facilities in the ground. But what we did agree to is

that if in the private communities any of the other service providers activate any service other than voice, that Comcast would have the option to terminate the agreement.

Q. Okay. So in your agreement with Comcast, a condition subsequent of you granting an easement to provide video would give them the option of terminating their arrangement with you; is that correct?

A. Not the granting of the easement, but the activation of the service.

Q. Oh, excuse me. The activation of the service. But I thought I saw an easement from Nocatee that restricted AT&T to just voice only. Am I confusing service with technology?

A. Yes, and I'll try differentiate the two. BellSouth, for example, within the Pulte Coastal Oaks community or the Del Webb Riverwood community has the ability to install whatever facilities they choose within the easement. It's just that the easement we did grant them in those two private communities does not allow them the ability to activate anything other than voice services.

Q. Back to this condition in your agreement with Comcast. Does that condition apply only to the two private communities?

A. It applies to all private communities within Nocatee.

Q. But not the public?

A. Not the public, because it's public right-of-way, and any provider can bring their facilities in the public right-of-way.

Q. As I understand, you have three agreements with Comcast; is that correct? One is like a marketing agreement, and another is a facilities agreement. Would you mind describing the agreements you have with Comcast for Nocatee?

A. I'll do the best I can.

Q. I actually have it written down here. You have an installation and services agreement, a marketing agreement, and a compensation agreement?

A. That's correct.

Q. Okay. Is this condition subsequent provision in all three, or is it in one and they're interlocking?

A. I'm not certain.

Q. All right. So in your negotiations with Comcast, did they insist on an exclusive on data?

A. Absolutely.

Q. And they obviously insisted on an exclusive for video; is that correct?

A. Yes.

Q. All right. But not voice?

A. I can't recall.

Q. Well, why didn't you just give them the triple play?

A. Well, I'm trying to recall, and I'm sorry, I just can't recall. There was a bulk -- the agreement with Comcast requires a bulk service agreement, and I can't recall right now what service was included in that bulk agreement, whether it was video and data or data alone. I can't recall.

Q. Well, help me out on this. Explain to me what you mean when you say a bulk service agreement.

A. A bulk agreement in that we would use a master homeowners association for all of Nocatee. So every resident would be part of a master homeowners association, and that master homeowners association was going to be used as a vehicle for collecting a mandatory bulk fee for BellSouth services. And I'm sorry, but I just can't recall whether that bulk fee was data only or data and video.

Q. For Comcast?

A. For Comcast, we do not have a bulk agreement that requires every resident to pay to either a master homeowners association or any other collection agency for Comcast services.

Q. That's where I got confused, because we established early on that it's directly from the consumer of the service to Comcast.

A. Right. So under our current agreement with Comcast, any resident that moves into Nocatee can choose who their provider is going to be. And under the BellSouth proposal and BellSouth agreement that was never executed, there was a bulk agreement in place that required every resident to pay monthly for a certain service.

Q. All right. I want to go back to the agreement with Comcast directly. Why didn't you agree to extend the -- I'm going to use the term "restrictive," the restrictive provisions on the provision of video and data to voice as well? Why did you only do that for two?

A. Well, many residents just prefer traditional landline phone service because it has a proven history of connection with 911, dependable service, and no need for backup electric power. The only service that Comcast offered for voice was their Comcast digital voice service. And I know they've had success with it, but it's also a very new product and not one with a proven history, and so the traditional landline phone service was something that we felt was particularly

important in communities with older residents, who are less likely to rely on cell phones or the newer forms of technology. For example, in these private communities that we're speaking of, one of the communities currently being denied access is an age-restricted, active adult community with residents 55 and older, and the other is a high end gated community, which typically will have somewhat older residents.

So we did not feel that we wanted to -- again, very similar to what we did with BellSouth in 2006, we were not prepared to risk the community and to limit the choices of the residents to technologies that, while they may be very successful in the future, they haven't proven themselves to be -- they don't have a history, a track record of success in the past. And while we felt that way with the Internet protocol television with BellSouth in 2006, we felt the very same way when it came time to dealing with Comcast. Comcast had very good video services and very good data services, but could not offer a voice service that was comparable to the traditional landline that BellSouth has historically offered, and we wanted the residents to have a choice.

Q. If AT&T had been able to consummate their proposed agreements with you, the BellSouth agreements, were your projections that you would have made more

money from them than Comcast, the same, or less?

A. I can't recall. I'm sorry. I can't recall.

Q. What did you say to Comcast when you called them up?

A. I told them that our discussions with AT&T had hit a wall and that I wanted to meet with them. And from there we had a discussion, and it was fairly smooth. Like I said, it took almost a year to get that far with BellSouth, and within probably 45 days we had not only consummated an agreement, but we were already planning. We were moving on, so it was fairly seamless.

Q. I want to ask why that is, but I think what I really mean is how is that. How did that unfold? Why was it smoother with them than with AT&T? For example, was it substantive provisions about interlocking agreements or indemnification clauses, or was it accommodation to build-out schedules? What accounts for your experience with Comcast to have been faster and smoother than that with AT&T?

A. That is a difficult question, and this is all opinion based on just the experience I had in dealing both with Comcast and BellSouth. One is that under the Comcast arrangement, there was no bulk service agreement, and that simplified things tremendously.

Secondly, I think just the decision-making

process within Comcast, at least in our experience in dealing with these agreements, was more efficient or streamlined, or should I say we got decisions sooner. And they had -- I'm not sure whether it's fewer attorneys or what, but the turnaround time with BellSouth was very, very long. The number of comments and the negotiations point by point were very -- it was extensive. With Comcast, we did not find that to be the case.

Q. Okay. What is the structure of your compensation arrangement with Comcast? Is it a door fee? Is it something else?

A. We have a door fee and a percentage of recurring revenue.

Q. Does that percentage of recurring revenue give you an incentive to promote their voice service?

A. I believe that the percentage of recurring revenue applies to all three services.

Q. So the answer to that would be yes?

A. So the answer would be yes.

Q. I believe AT&T has suggested that in the private communities you pay some amount to help make this an economic as opposed to an uneconomic investment on their part, but you've declined to do that, as I understand. Is that correct?

A. That's correct. We did not accept the proposals that were presented by BellSouth.

Q. Why not?

A. After we concluded our agreement with Comcast, we were told by BellSouth -- we had a meeting with BellSouth representatives, and it was really to discuss SONOC's arrangement with Comcast and BellSouth's participation in Nocatee.

And the BellSouth representative -- and this was a meeting in our office. Several BellSouth representatives and I met, and they stated BellSouth's commitment to provide voice services to the entire Nocatee community. And what they told us was that at that point in time, irrespective of what happened, that they didn't win the large agreement for the triple play, that they were still committed to Nocatee, that they were committed to providing all three services, voice, video, and data services in all of the communities, and that we were going to proceed. I was very happy with that meeting. I was very happy with the approach that they took. In fact --

Q. What was the date of that? I'm sorry to interrupt you.

A. I believe it was in July of 2006. In fact, I followed that meeting up with a letter to Phil Jacobs

thanking him for the attitude that his team displayed in spite of the circumstances and that they really were taking a long-term approach to Nocatee, and I told him that I appreciated their commitment to continue to serve Nocatee going forward.

The -- now I've forgotten your question.

Q. Well, my question is, why did you -- why have you not agreed to put some money on the table to get service, and you had gotten to the point where they had responded that they were still committed to serving.

A. Right. And then from that point forward, Phil Jacobs and I had several discussions in which he was letting me know this was something that -- excuse me. Subsequent to that, probably within 30 or 60 days after, I did receive some e-mails from Phil Jacobs stating that, well, that may not be the case, that BellSouth may choose not to provide any voice services in areas where they wouldn't be able to provide all three services. And we had a number of discussions, and we agreed to meet in Atlanta in Phil's office to see if we would work out something that was beneficial to both parties, and I met with him in Atlanta on October 16th to discuss the circumstances in which BellSouth would provide telephone services to the private communities.

At that point in time, one of the proposals

that Phil Jacobs -- one of his proposals was one in which we might participate in some form. In fact, at that point in time, what he had proposed -- and again, this was not a formal proposal; this was just discussion between the two of us -- was the possibility of us contributing to the installation of conduit in the first phase. And what that would allow is that BellSouth in the future, if we ended up terminating our agreement with Comcast or if Comcast ended up terminating the agreement -- again, this is a community that will be building out over the next 20 years. It would allow BellSouth to have the conduit in the ground.

But we had discussed a scenario in which SONOC would either contribute or pay for the installation of conduit, and I told him at that point in time we would definitely consider that, and he was going to go to work on getting the numbers together.

And when the numbers came in -- in fact, at that point in time, Phil even mentioned, "We'll try to do it in a way where we're dealing with just the cost of the hard material and the installation, not any overhead costs or anything else." When the numbers came in, they just were much higher than what we had discussed in Atlanta, and it just wasn't acceptable.

Again, all we did was, we wanted BellSouth to

build out and provide the same basic telephone service to the private communities in Nocatee that they've provided for years throughout the Jacksonville area, and the numbers with just unacceptable.

Q. Now, these were numbers for the two private communities?

A. That's correct, for the first phase, I believe just the first phase of the two private communities.

Q. Do you remember what those respective amounts were?

A. I'm sorry, I don't.

Q. Okay.

A. At that point in time, I think we both just agreed that we were going to turn this over to our respective attorneys.

Q. I'm having a little difficulty understanding the treatment by Comcast and AT&T of Riverwood and Coastal Oaks versus the public areas when it comes to these build-outs. The question I want to ask you is, turning to AT&T, and not pertaining to Riverwood or Coastal Oaks, but the part of the public community that is separated by a greenway of a quarter of a mile, is AT&T currently deploying facilities in that area, or have they deployed facilities in that area?

A. I don't know if they're currently deploying

facilities. I do know from meetings that AT&T representatives continue to have with SONOC's engineers that they are planning to install facilities to provide all three services in all of the public communities.

Q. Because there would be public rights-of-way, and --

A. There are public rights-of-way.

Q. And you would not be able to restrict by easement their ability to turn up the video and data.

A. That's correct. So it's my understanding again from my meetings with my engineers, who are meeting routinely with BellSouth, that they are actively installing facilities in the public residential communities that are currently under development. And I know that one in the particular, the development is already completed and the BellSouth facilities have already been installed. The other --

Q. How many -- I'm sorry.

A. The other public communities are in different stages of development, and that's why I can't say with certainty whether or not the development is even at the stage yet where the BellSouth facilities would be going in the ground.

Q. In terms of the total number of single-family homes, what would be at total build-out the ratio

between public single-family homes and private single-family homes? Is it 50-50, one to one, three to one, one to four?

A. That's a difficult question, because it will be somewhat dictated by the market. I would probably guess that we will have approximately 13,000 homes at build-out, and there could be 5,000 to 7,000 homes in private communities. Again, that will be a function of the market demand. Typically if there's a golf course community, oftentimes the golf course community will be behind gates, and that will be a private community. So a lot of it will be dependent on the market conditions.

Q. I notice that Riverwood has condominiums.

A. Yes, it does have some. It has condominiums. Riverwood ultimately will have about 1,100 homes, and there will be everything, including -- there will be single-family homes, what they call carriage homes, and there will also be condominiums.

Q. Okay.

A. And the Riverwood community, if I could just add, the Riverwood and Coastal Oaks communities are just -- they're villages within the boundaries of Nocatee. And there will ultimately be public villages, villages with public right-of-way, residential communities that are non-private that are south and north -- I don't want

to quite say surround, but that will be to the north and to the south of these two private communities. There will also be additional private communities in the future, but we have not identified which communities will be private and public. Again, it will be somewhat dictated by the demands of the market.

Q. Thank you. Mr. Ray, I need the benefit of your experience and expertise and knowledge of Nocatee to respond to the following. And I don't know if there's an answer, so it is speculation, so that's fine by me. But I wanted to understand -- let's say, for example, that the Legislature decided that there would be no more carrier-of-last-resort obligation in private communities. Let's just say that. How would that change your approach with AT&T over the next few years? Would it make any difference to you as a developer?

A. Yes, I do. When we were negotiating with BellSouth a long-term agreement, I mean, they told us that they might not provide voice service without an exclusive arrangement for voice, video, and data.

In this area, in the Jacksonville area, in my opinion, they have an inferior video product, and that was also something that the BellSouth representatives agreed with. When we talked about Internet protocol television, which is a video product of the next

generation, that was a different story. But for the current video product, it's an inferior product. And when we were negotiating a long-term agreement, we were told that they may not provide voice service without an exclusive arrangement for voice, video, and data.

And if BellSouth is relieved of its obligation to provide voice service to Nocatee or to any other development -- and this is being watched closely by developers. Developers in Florida will be forced into choosing BellSouth for all services, knowing that they've got the ability to withhold basic voice service or to require developers to pay for it. In effect, developers are going to have to choose to select BellSouth as their carrier of choice for all services or risk the loss of just the basic BellSouth phone service for residents.

Q. Well, how do we know you're not gaming it? How do we know that you're not entering into an arrangement where you say, "I know if I give you three exclusives, I lose AT&T, so what I'm going to do is give you two exclusives and agree," wink, wink, "to market your voice so that we can keep AT&T on the hook"? How do we know that's not happening?

A. The only thing that we would have to gain from that is the revenue participation on voice, and I can

tell you it's not that significant. This town will ultimately have 13,000 residents, and that is just not that significant.

Q. Help me with that. Let's assume for the moment that the voice product was 50 bucks per customer per month. 13,000 homes, what's that? 6,500, or is it 65,000? It's about a million a year, isn't it? I mean, actually, I'm just kind of trying to understand this, because typically I think of voice service as being lucrative at some level.

A. One is, when we put this together, we did not contemplate a penetration rate of 100 percent for voice. And the real financial benefit in a recurring revenue, which is very consistent with what BellSouth had proposed to us, was in the video and the data, and I just don't remember that being significant. And I can tell you that in my analysis, it was not something that would have been a deal killer one way or the other.

Q. Well, what would happen if you allowed AT&T to turn up video in Riverwood, for example? That would allow Comcast to basically cancel their contract or to decide to renegotiate.

A. That's correct.

Q. So why don't you let them do it?

A. Well, long-term agreements allow developers to

receive commitments from the providers that provide service. They allow developers to receive commitments from the telecommunications providers that they otherwise would not get. And the larger the community, the more leverage there is to receive these commitments.

These are commitments such as establishing customer service standards, providing service to each resident immediately after they close on their home, and ensuring that the facilities are upgraded timely. So these are all commitments that could never be negotiated individually by the residents, but can be negotiated by the developer to ensure that the residents have state-of-the-art facilities, have service when they need it, and have a standard of customer service that they otherwise would never receive.

Q. And that sounds very positive when you can get it, but right now you've got it only for two out of three, and you've got AT&T frosted because they say they can't really make it in the private communities just on voice.

So I guess the question I'm trying understand -- and obviously, this is conversational here, Mr. Ray, but the thing I'm trying to understand is, why don't you say to both of them, "To heck with both of you. If you want this service, come on in. We're going to have

competition, and neither one of you get an exclusive, and both of you can compete for that, and if you don't like it, we'll find someone who's willing to"? Why don't you do that?

A. It was for that very reason. It was for the very reason I said. Right now, after executing a definitive agreement with Comcast and receiving the commitments that we did from Comcast, the commitment for customer service standards, the commitment to day one, door one, not to wait until there are so many residents or a string of homes over half a mile or a mile, but a commitment to provide service to the residents when they move in, to establish customer service standards, and to get some sort of commitment on -- a state-of-the-art commitment to upgrade the facilities is very important to us. And if we were to allow Comcast right now to opt out of their agreement, we would be right back to where we started, which would be opening up a community that would ultimately have 30,000 residents with no commitment from either provider to provide services when people move into their homes.

Q. Okay. Thank you. So it sounds like you either have a carrier-of-last-resort obligation for installing facilities or a long-term commitment contractually.

A. And it's important to us. We've always known with BellSouth that there would be -- and there has historically been in other developments. There will be telephone service. There is landline service in every development that we've done, and we've always assumed that there will be electric service provided to every resident and there will be landline telephone service.

Data and video services in our communities were always handled differently. Those are somewhat based on the technology available, the level of service, and we've handled data and video as very different products than voice services.

Q. I've got a couple more questions, and then I think I want to take about a minute and look around the room and see if we're about done here. I appreciate it. There may be other questions from Mr. Meza or Mr. Self. I don't know.

Your easements that you have for the private communities versus your easements for the public communities, when you have a public easement, are the terms the same as you have for the private easement?

A. I believe that the significant difference between the easements for the public communities and the private communities was the restriction to activate, the restriction on activation of data and video services.

Q. Okay. So the solution, obviously, is to get DRIs made so that there can't be any such thing as a private easement, they're all public easements. If that happened, then you would have competition, I guess, because you've got it in the public areas; right?

A. Yes, there is. BellSouth -- there is in the public areas at least two service providers. But practically, what will happen here is, the ability -- large DRIs are still looking for long-term commitments from providers for data and video services, and the ability to withhold basic voice service no doubt, in my mind, will be used as a hammer by BellSouth to require developers and residents to subscribe to the other services whether they're competitive or not.

Q. You've mentioned I think four or five times the importance of having a state-of-the-art assurance in your working agreements or your contracts with Comcast or whoever the provider is. Could you tell me a little bit more about that? What are you contemplating would change in two years that they would need to upgrade their facilities? Do you know?

A. No, and I think that's the very reason we have it, is because we don't know. One thing I can say with certainty is that if we look backwards, there have been a number of changes in technology and data speeds and

the amount of information that can come across the system. We know that there's been a movement from co-ax cable to fiber, and now fiber moving even closer to the home. And we also have this video product being introduced called Internet protocol television. So I think the best thing that we can say is we don't know what we don't know, but the thing that's certain is that technology is going to change over time.

And what we don't want to end up with is a brand new community that borders -- we are just to the east of Ponte Vedra Beach, which is a very high end resort area within Northeast Florida, and we are just a mile from there, and we cover about 28 squares miles in the southern part of Jacksonville. And we don't want to be a large, brand new town that in a matter of years ends up with antiquated technology, so it has been important to us to get a provider to give us some sort assurance that as new technology rolls out, that we will be kept current.

Q. Well, thank you. Which brings me to my question. Why are you not or someone from your company that has personal experience in this evolving working relationship with AT&T, why aren't you here as a witness? Why has your participation been limited to just the pleadings and responding to discovery and doing

discovery at this point?

A. We're a company of less than 15 employees, and we've got responsibility for the development of a new town that will have over 25,000 residents. And candidly, we don't have the time or the resources to challenge BellSouth.

In my opinion, the stakes for BellSouth extend well beyond the Nocatee project, and we understand that if they're successful, it's going to change the business model for them as an organization. And investing the time of management -- the teams of in-house counsel that BellSouth has available to them at substantial dollars clearly could reap great returns for them in their competitive fight with the other telecom providers.

This battle could consume our organization. It's not -- so this issue, in my opinion, this issue for BellSouth extends well beyond Nocatee. We are just a pawn in a much larger fight. We can't take that fight on for the industry. We've got less than 15 people total in our organization, and we just don't have those kind of -- we don't even have one in-house counsel. Everything that we do would require a strong commitment of internal resources and external resources, as well as funding, and it's not a battle we can take on.

Q. And that's the basis? This is not a joke

here. That's the basis, a managerial decision that in terms of the resources available, you just don't have them, and you have to allocate them elsewhere?

A. That's correct.

Q. Is your working relationship with SONOC -- I want to make sure I get that name right -- only in this Nocatee area, or do you work with them elsewhere?

A. No. We have worked with SONOC in several residential developments, and we have one other residential project with SONOC right now other than Nocatee.

Q. Where is that?

A. It's also in Jacksonville, Florida. It's a residential community called Pablo Creek Reserve.

Q. Where is that in Jacksonville?

A. It is south of the city. It's Southeast Jacksonville.

Q. Okay. Do you have a triple play provider there?

A. If I remember correctly, Comcast has the Duval County -- Pablo Creek Reserve is in Duval County. And as I mentioned earlier, unless something has changed in the last several months, BellSouth does not even have a video franchise in Duval County, and Comcast does. And I believe Comcast is the only provider in Pablo Creek

Reserve with all three services. This is a very small community. Pablo Creek Reserve has just a little more than 250 homesites.

Q. So the answer is yes, they have triple play there, and that's exclusive?

A. I'm sorry. I don't recall if it's exclusive. It is a private community, and the triple play is being offered by Comcast.

MR. WIGGINS: Thank you. What I would like to do is just step outside for a moment with my co-counsel here and ask him a question. I think I may be done. Do you mind taking like a two- or three-minute break?

THE WITNESS: That's fine. Shall I stay on the line?

MR. WIGGINS: Yes, sir. You've been very patient. I appreciate it.

THE WITNESS: No problem.

(Short recess.)

BY MR. WIGGINS:

Q. Mr. Ray, I'm back.

A. Yes, sir.

Q. We're back on the record. I think I've only got one more question, hopefully.

You said, I think, that you did not expect

100 percent voice participation from Comcast in terms of people taking VoIP. Do you project a voice penetration level for Comcast, or have they, to your knowledge?

A. Yes. The answer is yes to both questions. BellSouth did project a penetration, and I believe their projection was 20 percent.

Q. Let's go back. I want to make sure. On Comcast's VoIP product in the two private developments, do you have a projected penetration rate of their takers for voice? Do you think they'll be at 60 percent, 80 percent, 100 percent?

A. We had internally projected -- based on our discussions with Pulte Del Webb particularly, because that is the age-restricted, active adult community, we had internally projected that the penetration would be approximately 50-50 for both services.

Q. Both services being AT&T versus Comcast?

A. Correct.

Q. And that's in the age-restricted?

A. That's correct. Also, for the Toll Brothers Coastal Oaks community, again, because that is a higher end, gated community, heavily amenitized -- those are the most expensive homes that we're offering in our first phase. We had projected internally that that buyer would be more inclined to require traditional

landline phone service.

And again, from the very beginning with Comcast, Comcast would have preferred exclusivity on all three services, and from the beginning, we told them we could not accept that. We just could not mix data and video products with voice services, and Comcast had not delivered a voice service that we believed was going to be acceptable to a number of our residents, and so we just were not prepared to require that of the residents. But internally, we had projected approximately 50-50.

Q. Okay. Thank you. I want to go back to actually the very specific concrete problem we have before us here at the Commission, which is that AT&T has petitioned to be relieved of or waived -- is it relieved or waived? Waived the carrier-of-last-resort obligation at the two private developments. They have come to you and said, "If you'll pay some money, we can swing this. We can make it not uneconomic. In other words, we can make it economic enough for us to agree to provide service." You've said the number was too large and a non-starter, as it were. Have you counteroffered a number?

A. No, we did not.

Q. Why not?

A. First, the proposal that was put before us did

not have a lot of support behind the numbers, and the penetration rate was, I believe, 20 percent. I believe there were two factors to their proposal. One was the actual total amount of infrastructure cost, and second was the penetration rate. Those were basically the two assumptions.

I had probably two meetings with BellSouth either by telephone or in person to discuss that proposal and did not feel that we were going to be successful in getting that down to a reasonable number. I just did not -- I believed it was not going to be time well spent and that it was going to be in our best interest to just move forward and have a determination on whether or not BellSouth had an obligation to provide landline phone service.

I felt like I was making good progress in my meeting with Phil Jacobs in Atlanta. But once it was basically turned over to the attorneys, those discussions stopped, and everything beyond that was very cautious and documented, and we were just not making progress.

Q. This is the sound of me thinking.

Well, have you internally determined an amount that you would be willing to pay?

A. No, we have not done that.

Q. But clearly, there must be some amount. You would do it for 10 bucks, wouldn't you?

A. Oh, absolutely.

Q. All right. So there's some number that you would be willing to pay, but you haven't determined that?

A. That's correct.

Q. And that's because you moved on to other things at some point and decided it wouldn't be worth pursuing?

A. Well, I didn't feel that the discussions with BellSouth would be constructive. We were so far off in our -- and again, the two variables were the number itself, the cost of the infrastructure, and I didn't get adequate detail as to what was in it. I believed that the numbers were high. And then the other was the discussion on the penetration rate. We were so far off from what we would have paid that I just did not think the discussions would be constructive.

And again, the only thing presented to us was a Phase 1 solution, and this is just one phase for two private communities. And ultimately, again, Nocatee will have multiple private communities. So the amount that we're willing to invest in BellSouth's infrastructure is not just the first phase of these two

communities, but it's also going to have an effect on what happens in the future.

I'll say this. It would have been -- when I go back over the discussion, because we -- I guess I would call this a commentary, but we wanted to deal with BellSouth. That's why we spent a year and tens of thousands of dollars in attorney's fees to try to come to an agreement with them. And we wanted that agreement to work. I have a very good working relationship with Phil Jacobs and Bill Story. I felt very comfortable working with them, and we wanted that arrangement to work.

And there is no doubt in my mind that if the Commission had already determined in some previous case that if BellSouth didn't get the ability to offer all three services in a DRI, because of that, BellSouth had the ability to pull out and had no obligation to provide landline phone service, then clearly, I would have felt that I had no choice but to accept a long-term agreement with BellSouth. It would have been the hammer for me, because we would have been in a situation where we were asking ourselves, are we willing to risk having effective landline phone service in a community this large just for the benefit of getting the best and most competitive data and voice service, and the answer

probably would have been no.

And that's what's the most challenging thing about this to me, is that by the Commission granting BellSouth the ability to withhold voice service, it's not an issue with voice service, but it now puts developers in a position where they have no choice in the large communities where you're looking to get other commitments from the telecommunications carrier. It provides BellSouth the ability to bring in an inferior product. But the hammer that they have that no one else has is the ability to withhold basic landline phone service.

And the day will come -- I believe the day will come, possibly in the very near future, when that won't be an issue any longer, but it still is today. And when somebody buys a home and they want BellSouth traditional landline phone service that has no backup power source, it's not a digital service that's been unproven, they know it's got connectivity to 911, there is no substitute. And again, the time will come in the future that that won't be an issue, but that time is yet to come, and unfortunately for us as developers, we have to deal with today.

Q. Thank you. I gather that at that point, you felt like your numbers were so far apart that it was not

worth pursuing, and you didn't ask for backup on their data?

A. I did ask for backup, and the backup was very -- it was very light.

Q. Well, the last question, which is maybe my commentary, what I don't get is, you've got this huge development, and you've got -- 50 percent of it is going to be private communities. It's hugely important to you to get AT&T's voice service, and you haven't looked at your own -- or created your own framework for assessing how much you're willing to pay to get them there. I mean, I understand that you're rejecting their number and their approach, but you haven't actually said, "If I've got to pay something, here's what I can afford, and here's why, and here's how it affects downstream, and I'm willing to do that." It would seem to me if I was a business person, I would be doing that parallel to the attorneys mucking it up.

A. Well, I think our business decision was how much are we going to pay in legal fees and comparing that to the amount that we would have been willing to pay. We believed that BellSouth had a legal obligation to provide voice telephone service, and we also believed that there was nothing special about this construction. So in our mind, the decision was how much are we going

to spend in legal fees to fight this. There would have been an amount we were willing to pay to avoid a legal battle, and that was really the decision that we made.

MR. WIGGINS: Well, Floyd thinks it's a good one.

Mr. Ray, I'm done. I appreciate your taking time out of your schedule to let us do this. It was very useful to me at least. And I think Mr. Meza for AT&T -- Jim, do you want this chair? Mr. Meza for AT&T has a few questions to follow up.

THE WITNESS: All right. Thank you.

MR. WIGGINS: Thank you, sir.

CROSS-EXAMINATION

BY MR. MEZA:

Q. Mr. Ray, good afternoon. My name is Jim Meza. I'm a lawyer, one of those lawyers for BellSouth, now AT&T, "Your World. Delivered."

I just have a few questions, sir. I'm not going to take up too much of your time, but I want to make sure I understand your view of the arrangements you have with Comcast. Would it be fair to say that the door fees and other economic consideration that you're getting from Comcast also applies to the public communities?

A. Yes, they do.

Q. Okay. So you have entered into some type of arrangement with Comcast whereby they're going to pay you some type of economic consideration, even though AT&T is free to provide its suite of services in those public communities; is that correct?

A. That's correct.

Q. And just to be clear, AT&T is providing service to those public communities, correct, or will be?

A. It's my understanding that AT&T -- I know they are currently providing service to one, and my understanding is that they plan to provide services to the other public communities that are currently under development.

Q. So it's not entirely accurate to say that if the Commission grants the petition that you will be forced to go with AT&T for all services?

A. Yes, I do, because those are only two of the provisions in our agreement with Comcast. I would not be able to say that we would have been able to receive all of the commitments that we have from Comcast if all of Nocatee was going to be a public community with AT&T services provided in every one of the residential communities. That would not be an accurate statement.

Q. But isn't it fair to say, sir, that the reason

AT&T has filed this petition with the Commission is because of Nocatee's requirement that it only provide voice service in the private communities?

A. That's correct.

Q. And there is no similar restriction in the public communities?

A. I don't know what the basis for AT&T's filing is. I can't speak to that.

Q. I'm asking you if there's a similar restriction on the services that AT&T can provide in the public communities.

A. No, there is not.

Q. Okay. Are you going to let AT&T provide data and video service in the private communities at any point in the future?

A. In the private communities?

Q. Yes.

A. As long as the agreement that we have right now with Comcast is active, then AT&T will be restricted from providing data and video services. I can't speak to what might happen in the future.

Q. Now, one of the agreements you have with Comcast is a marketing support agreement; is that correct?

A. That's correct.

Q. And my read of this agreement -- and I don't know if you have it in front you, but it requires the developer or owner to provide certain marketing materials to any purchaser of any home in Nocatee, or potential purchaser; correct?

A. That's correct.

Q. And it's not just limited to the private communities; is that correct?

A. That's correct.

Q. All right. And one of the things that the agreement covers is the presentation of marketing materials regarding all of Comcast's services; is that right?

A. Yes, it is.

Q. So you tell prospective owners -- or you provide to prospective owners of homes in Nocatee marketing materials that Comcast gives to you regarding voice, cable, and data services that they provide?

A. That's correct, very similar to the marketing requirements under what would have been an agreement with BellSouth.

Q. When you give them these materials, do you tell them that you believe that Comcast's voice service is inferior to BellSouth's?

A. We are not distributing these materials

ourselves as a developer. We are requiring our builders to comply with the commitments that we made to BellSouth to notify the prospective residents of the availability of these services and to present the materials.

Q. So the answer to my question is no?

A. I am not aware, because again, we have committed -- our developer/builders that we have sold land to, we have required them to comply with the marketing support provisions in our commitment to Comcast, and our commitment to Comcast was limited to notifying them of the availability of services and then presenting the marketing materials.

Q. And also to display and maintain materials?

A. Yes, to display materials in the model homes.

Q. Okay. And from my read of this agreement, not only do you get door fees, but you also get a marketing support fee; is that correct?

A. That's correct.

Q. And my understanding after reading this provision is that you get a certain percentage of revenue based upon the number of customers that buy Comcast's suite of services; right?

A. That's correct.

Q. So it's not in your economic interest for any of the potential owners or residents of Nocatee to have

BellSouth's voice service; is that right?

A. I'm sorry. Would you repeat the question?

Q. It is not in your economic interest for any of the residents of Nocatee to have BellSouth's voice service; correct?

A. If the only issue at hand is the marketing support fee, then the answer is correct. But there are more considerations than the marketing support fee. Ultimately, over a 20-year period, our economic interest is in selling 14,000 acres and ultimately having 14,000 happy residents, or 30,000 happy residents in 14,000 homes. The economics of that are far greater than a marketing support fee for voice services.

Q. All right. Let me see if I can break it down even simpler for you. You get money from Comcast when Comcast signs up a voice service customer; correct?

A. We get a door fee when Comcast signs up a customer, and we get recurring revenue paid by subscribers for voice, data, and video.

Q. And you do not get a similar fee from AT&T when a customer signs up for AT&T Florida's services, voice services; correct?

A. That's correct.

Q. Do you have Nocatee's answers to the request for admissions in front of you?

A. Yes, I do. Help me work my way through this and tell me what it says on the top.

Q. Sure. I believe it's Nocatee Development and SONOC Company's list of developers, the responses to BellSouth's first request for admissions, numbers 1 through 20. It was dated the 29th of June.

A. Bear with me. I'm working my way through everything.

Q. Okay.

A. Is this the interrogatories numbered 1 through 13?

Q. No, sir. It's entitled "Request for Admissions."

A. Request for admissions, yes, I do have that.

Q. Okay. I'm going to ask you questions on 1 and 2, Nocatee's responses. And if you read number 1 and 2, you would agree with me that Nocatee denied those statements; correct?

A. That's correct.

Q. And I don't mean to burden you here, but if you could look at the compensation agreement between Comcast and Nocatee, the first "whereas" clause, I'm going to read it and try to determine after reading that why Nocatee denied the request for admissions. Let me know when you're there.

A. I'm there.

Q. I'm reading the first "whereas" clause in the compensation agreement that states as follows: "Whereas, the company and owner desire to enter into an installation and services agreement, paren, installation agreement, close paren, pursuant to which the company will provide broadband communications services to the premises, including but not limited to cable television service, on an exclusive basis to the extent provided in the installation agreement." Did I read that accurately?

A. Yes, you did.

Q. And AT&T Florida asked Nocatee to admit that it entered into an exclusive service agreement with Comcast for the provision of cable services and for the provision of data services to Riverwood and Coastal Oaks, which Nocatee denied. And I was wondering if you can explain to me why Nocatee denied those requests for admissions, given that paragraph in the "whereas" clause that I just read.

A. In the "whereas" clause, reading the final words, it says, "on an exclusive basis to the extent provided in the installation agreement." It did not stop with "on an exclusive basis," period, but only to the extent provided in the installation agreement.

And I think we clarified that the Comcast documents don't require that the facilities be the only or exclusive data or video facilities, nor do they prohibit the installation of the network. The only -- if we grant an easement to another telecommunications provider, if we allow them to put their facilities in the ground, we are not in conflict with our Comcast agreement. If we allow them to activate those services, Comcast has the option to either terminate the agreement or continue on. So we don't see that as exclusivity.

Q. So you do not read the phrase "exclusive service agreement" -- or you read that to mean the installation of facilities?

A. I'm sorry. What phrase did you refer to?

Q. We asked you to admit that Nocatee has entered into an exclusive service agreement with Comcast for the provision of video and cable services to the Riverwood and Coastal Oaks subdivisions within the Nocatee development.

A. Yes. We don't.

Q. You don't what?

A. I'm sorry. I'll ask you to repeat the question again.

Q. I'm asking you, in what way are you construing the phrase "exclusive service agreement with Comcast"

such that you are able to deny that request for admission?

A. Well, we don't have a contractual obligation that unconditionally restricts either us or Comcast. What we do have is an agreement with Comcast that provides for non-exclusive easements and also gives us the ability to grant non-exclusive easements to other telecommunications providers for the purpose of installing facilities. We have a restriction against activating data and video services in the private communities. If we activate those services or if we allow another telecommunications provider to activate those services, Comcast has the option, but not a requirement -- it doesn't terminate the agreement. Comcast has the option to terminate the long-term agreement.

Q. Okay. Well, go to the second "whereas" clause in the compensation agreement real quick. Let me know when you're there.

A. I'm there.

Q. It says, "Whereas, in exchange for such exclusive rights as set forth in the installation agreement, the company will pay a per unit fee as set forth herein." And the company is defined as Comcast; is that correct?

A. That's correct.

Q. So Comcast is paying you a door fee or a per unit fee for some exclusive rights; is that accurate?

A. That's correct, as set forth in the installation agreement.

Q. All right. What exclusive rights are they getting in exchange for this per unit fee that they're paying you?

A. They have a -- under the agreement, they have a right that -- so long as this agreement is active, they have a right to -- let me say it this way. They will -- if SONOC allows another telecommunications provider to activate facilities, they have the right to terminate the agreement. So they have whatever comfort -- there's a certain amount of comfort that Comcast receives that they will only be paying -- the compensation agreement and the amounts payable under the compensation agreement will only apply to the extent other telecommunications providers have not activated their services.

Q. Okay. I understand what you're trying to say. And just to make sure I'm clear, you don't get any money if you allow BellSouth to provide data and video service, or Comcast has the right -- strike that. Comcast has the right to get out of this compensation

agreement if AT&T Florida provides video or data services to those private communities; correct?

A. That's correct.

MR. MEZA: All right. I have no further questions.

MR. SELF: Rick, this is Floyd Self. I do not have any redirect or follow-up questions.

MR. WIGGINS: Nor do I. This is Patrick Wiggins. The deposition is concluded. Thank you, Mr. Ray, for your cooperation.

THE WITNESS: Thank you very much.

(Deposition concluded at 4:45 p.m.)

CERTIFICATE OF REPORTER

STATE OF FLORIDA:

COUNTY OF LEON:

I, MARY ALLEN NEEL, Registered Professional Reporter, do hereby certify that the foregoing proceedings were taken before me at the time and place therein designated; that a review of the transcript was requested; that my shorthand notes were thereafter translated under my supervision; and that the foregoing pages numbered 1 through 66 are a true and correct record of the aforesaid proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor relative or employee of such attorney or counsel, or financially interested in the foregoing action.

DATED THIS 11th day of July, 2007.

MARY ALLEN NEEL, RPR, FPR
2894-A Remington Green Lane
Tallahassee, Florida 32308
(850) 878-2221

FLORIDA)

: CERTIFICATE OF OATH

COUNTY OF LEON)

I, the undersigned authority, certify that Richard Ray personally appeared before me at 1357 W. Beaver St. Jax, FL. and was duly sworn by me to tell the truth.

WITNESS my hand and official seal in the City of Jacksonville, County of Duval, State of FL, this 10th Day of July, 2007.

SHERRI L. COX
Notary Public - State of Florida
My Commission Expires Jan 2, 2009
Commission # DD 382975

Sherri L Cox
Notary Public
State of Florida

Personally Known ✓ OR Produced Identification _____.

Type of identification produced _____.

ASR ACCURATE STENOTYPE REPORTERS INCORPORATED
CERTIFIED COURT REPORTERS

July 12, 2007

Floyd R. Self, Esquire
Messer, Caparello & Self, P.A.
2618 Centennial Place
Tallahassee, Florida 32308

Re: Petition by BellSouth for relief from COLR obligations
Docket No. 060822-TL

Dear Mr. Self:

Enclosed is your copy of the deposition of Richard T. Ray taken in the above matter on July 10, 2007.

Since reading and signing was not waived, we are enclosing an errata sheet and request that your office make arrangements with the witness to read the deposition and make any corrections on the errata sheet.

Please forward the original completed errata sheet to Jane Faurot at the Commission for attachment to the original transcript and a copy to James Meza, counsel for AT&T Florida. You should also attach a copy to your transcript so that it will be complete.

Thank you for your cooperation in this matter. It was a pleasure working with you.

Sincerely,

Mary A. Neel

Mary A. Neel

/mn
cc: James Meza, Esq.
Jane Faurot

ERRATA SHEET

Under penalties of perjury, I declare that I have read the foregoing transcript of my deposition, pages 1 through 67, and that the facts stated therein are true, including any corrections and/or amendments listed below.

Date

RICHARD T. RAY

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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 060822-TL

In re: Petition for relief from carrier-of-last-resort (COLR) obligations pursuant to Florida Statutes §364.025(6)(d) for two private subdivisions in Nocatee development, by BellSouth Telecommunications, Inc.
_____/

TELEPHONE DEPOSITION OF: RICHARD T. RAY

TAKEN AT THE INSTANCE OF: The Commission Staff

DATE: July 10, 2007

TIME: Commenced at 3:04 p.m.
Concluded at 4:45 p.m.

LOCATION: 2540 Shumard Oak Boulevard
Tallahassee, Florida

REPORTED BY: MARY ALLEN NEEL, RPR, FPR
Notary Public, State
of Florida at Large

ACCURATE STENOTYPE REPORTERS, INC.
2894 REMINGTON GREEN LANE
TALLAHASSEE, FLORIDA 32308
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ALSO PRESENT:

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DAVID DOWDS
DEVLIN HIGGINS
RAY KENNEDY
DALE MAILHOT
RICK MOSES
BETH SALAK

STIPULATIONS

The following deposition was taken on oral examination, pursuant to notice, for purposes of discovery, for use as evidence, and for such other uses and purposes as may be permitted by the applicable and governing rules. Reading and signing of the deposition transcript by the witness is not waived.

* * *

MR. WIGGINS: This is the deposition of Richard T. Ray, president of Nocatee Development Company, taken pursuant to notice.

Thereupon,

RICHARD T. RAY

the witness herein, having been first duly sworn by Sherri L. Cox, a Notary Public in the State of Florida whose commission expires January 2, 2009, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. WIGGINS:

Q. Mr. Ray, I understand you've never had a telephone deposition before.

A. Never by telephone.

MR. WIGGINS: Okay. So I'm going to do my very best to indicate to you when we're on the record and when we're off the record, and there may

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be a little bit of that going on. The first thing we're going to do is take care of some formalities about the purpose of the deposition, the form of the question, and that kind of thing.

Did you have something, Mr. Meza?

MR. MEZA: Yes. This is Jim Meza on behalf of AT&T Florida. I just want to put on the record that AT&T Florida is not consenting to the introduction of this deposition transcript into the record of the hearing, that we believe that it is inappropriate for this deposition to be used in lieu of prefiled testimony. And while we don't object to the deposition occurring, we just want to make sure the record is clear that we are not consenting and will argue that it is inappropriate to introduce it into the record if any party attempts to do so at the hearing.

MR. WIGGINS: Very good. Thank you. And all objections are reserved except to the form of the question?

MR. MEZA: Correct, agreed.

MR. WIGGINS: Okay. Floyd, are you ready to go?

MR. SELF: Yes.

BY MR. WIGGINS:

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Q. Mr. Ray, would you mind please stating what your current position is. It just occurs to me, because this has been sort of disconnected, would you state your name and your address, please.

A. Richard T. Ray, R-a-y. And would you like my home address or office address?

Q. Office address and position with the company.

A. The office address is 4314 Pablo Oaks Court, Jacksonville, Florida, 32224, and my title is president of Nocatee Development Company.

Q. How long have you been with Nocatee?

A. Approximately four years.

Q. And before that, could you briefly summarize your employment history?

A. Prior to that I was president of Venture Corp. Management, a consulting firm specializing in mergers and acquisitions. And prior to that I held executive positions in a number of publicly held companies, including the Charter Company in Jacksonville, Florida, LTV Energy Products in Dallas, Texas, and Spinnaker Coating in Cincinnati, Ohio.

Q. Would you repeat the name of the last company, please?

A. Spinnaker Coating, S-p-i-n-n-a-k-e-r, Spinnaker Coating Company, and the city was Troy, Ohio, T-r-o-y.

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Q. Thank you. Could you please explain briefly Nocatee's corporate structure? Specifically, I'm not clear about its working relationship with some of its partners or holding companies.

A. I'll back up a little bit. First, SONOC is the landowner of substantially all the lands in the Nocatee Development of Regional Impact other than those lands that have been previously sold or donated. And Nocatee Development Company has been engaged by SONOC to provide comprehensive management of the Nocatee development, including business planning, project financing, land planning, engineering and construction, and land transactions.

Q. Okay. Is there any -- is that arm's length, or are there interlocking principals between SONOC and Nocatee?

A. No, it is arm's length.

Q. How long has Nocatee been in existence?

A. The approval process, the planning and approval process began approximately eight years ago, and construction officially began in October of 2005.

Q. All right. It's going to be useful to me just to get a big picture of Nocatee and the relationship of Riverwood and Coastal Oaks within that big picture. Nocatee currently has areas that are occupied? There are folks who have moved in?

A. Yes, sir.

Q. Is that most of Nocatee or --

A. No. Nocatee is a 14,000-acre mixed use master plan development and spans two counties, the southeastern corner of Duval County and the northeastern portion of St. Johns County in Florida. Within Nocatee -- the Town of Nocatee is the largest DRI in Northeast Florida and has been approved for approximately 14,000 homes, a million square feet of retail, and a little over 4 million square feet of corporate office. And we expect that the build-out will occur over approximately a 20-year period.

We began construction in October of 2005, and also at that time, the initial residential villages, development of the initial residential villages began, and Riverwood and Coastal Oaks are two of the initial five residential villages. Over the next 15 years, there will be many more residential villages, but Riverwood and Coastal Oaks are two of the initial five. They're already under development. They've already completed development of the first phase, the master infrastructure. They are both preselling homes. Neither of them have a resident that have yet to close

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on a home. I believe the first resident is scheduled in Coastal Oaks within the next 30 days.

Q. Now, as I recall, Toll Brothers is the builder for one of the developments.

A. Yes. Toll Brothers is the developer/builder for the Coastal Oaks community. SONOC sold approximately 500 developable acres to Toll Brothers, and Toll Brothers is the developer of the master infrastructure as well as the builder of all of the single-family and multi-family homes within the community.

Likewise, SONOC sold a large parcel of land in bulk to Pulte, Pulte Homes, for the development of a Del Webb active adult, age-restricted active adult community. And similar to the Toll Brothers community, the Del Webb community, which is named Riverwood, the master infrastructure for the first phase is substantially complete. Their model centers are open, and they are selling homes. Neither of those two communities have had a resident to close yet on their home.

Q. What I would like to get as clear as I can for the purpose of this deposition is the relationship between Nocatee and Pulte and Toll Brothers. Do they build according to your plans?

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A. When SONOC sold the land to Toll Brothers and Pulte, there was an understanding at that time what the development plan would be, the type of homes. They were assigned a specific number of development rights for single-family and multi-family homes, and SONOC reserved certain architectural rights, review rights for architectural control, but that was more particularly for what could be seen from the master roads. Within the community, within the Toll Brothers and the Pulte communities, they have flexibility, to the extent they stay within their development plans, to build single-family and multi-family homes within the limitations of the development rights that were assigned.

Q. Well, for example, did Nocatee consult with them in determining to enter into an agreement with Comcast, for example?

A. No, sir.

Q. Can you explain how that works, what that working relationship is? That's what I don't understand.

A. In SONOC's agreement to sell the land to both or either of those developers, SONOC retained the right to develop a technology strategy and to -- I forget the right word.

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Q. Install infrastructure?

A. Reserved the right to determine who the technology provider would be overall for the community.

Q. Okay. I want to make sure I understand this. SONOC owns the land, Nocatee is the agent or overarching developer for SONOC, and SONOC retained in the land when it sold it to different developers the right to determine certain things, including which kinds of communication technology would be in place?

A. That's correct.

Q. Once, for example, Toll Brothers builds a single-family residence and someone purchases that home -- I'm trying to figure out, is there any middleman between the person purchasing the home and Toll Brothers, for example?

A. No, other than a real estate agent that may be representing a buyer.

Q. Or a homeowners association which they may belong to?

A. Correct. Within a given community -- for example, when Toll Brothers acquired their parcel of land and they developed a development summary for that parcel, they determined in their case to have a high end, gated, heavily amenitized community, and also would have a homeowners association specific to that

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community. Likewise, the Pulte Del Webb community was established the same way. So both of those communities have their own homeowners associations.

Q. In your agreement with Comcast, are some of the fees paid to Comcast paid through the homeowners association?

A. No, they are not.

Q. So it's paid directly from the homeowner to Comcast?

A. Yes. Any individual resident that chooses Comcast as their provider for any of the technology services deals directly with Comcast.

Q. Do you contemplate that Nocatee will enter into an agreement with Comcast or any other provider in which the provider would be paid for some part of the services out of the homeowners association?

A. No, I don't.

Q. Okay. Thanks. Could you give me a brief description of where you find yourself now in terms of the two developments and your working relationship with Comcast and your working relationship with AT&T? Could you just give me an overview of where you see yourself at this point?

A. Well, I am aware that both Comcast and BellSouth are installing infrastructure throughout the

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Nocatee community. BellSouth has been granted easements to provide all of -- to install all of its facilities throughout Nocatee, in both the private and the public communities, albeit the private communities have been restricted. While the facilities can be installed, there is a restriction in the easement that does not allow those facilities to be activated for any services other than voice services.

But I am aware that throughout Nocatee, both BellSouth and Comcast are installing facilities. I know that, or at least I've been told by our engineers that BellSouth has not installed any facilities in the private communities. And I am aware that Comcast is -- well, to go back to your question as to the relationship, I think we have a very good working relationship with Comcast, and to the best of my knowledge, the working relationship with BellSouth is fine also.

Q. So you have an agreement with Comcast for Riverwood and Coastal Oaks; correct?

A. That's correct.

Q. But do you have an agreement of some sort with AT&T at this point with respect to delivering voice service to Coastal Oaks or Riverwood, if you know?

A. The easements have been -- the form of

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easement has been negotiated with BellSouth and has been approved. I'm not certain whether or not those easements have been granted at this point in time. But to the best of my knowledge, the latest information I received from our engineers, there has been no construction activity by BellSouth within the private communities of Riverwood or Coastal Oaks.

Q. Let's go to the private versus public communities for a moment. Are the Riverwood and Coastal Oaks private communities nested within the public communities?

A. They're separate and distinct, separated by greenways. They adjoin public right-of-way, but they're not contiguous to each other.

Q. Is there a public community in which you've entered into agreements with AT&T for the delivery of service?

A. Yes, there is.

Q. How close are they to Riverwood and Coastal Oaks?

A. I would say within a quarter of a mile at the most.

Q. Is this agreement for the triple play, and by that I mean voice service, data/Internet access, and video, or is it something else?

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A. Well, let me back up and clarify something. We have not entered into any agreements with BellSouth/AT&T to provide services. What we have done is, we spent a considerable amount of time negotiating the terms of easements that would be granted both within the private communities and within the public areas. And I'm not certain at this point in time whether or not those easements have been -- I know they've been approved by both parties. I don't know if they've finally been issued.

Q. So let's go to Comcast and Riverwood, for example. If I went to look for the agreement between Nocatee and Comcast with respect to the delivery of that service, would that be in an easement, or would it be in a series of agreements?

A. No. There are long-term agreements -- there are agreements in place between Comcast and SONOC that would cover the service for both the public and the private communities.

Q. But you do not have a corresponding type of sets of agreements with AT&T for the public areas?

A. That's correct.

Q. Okay. We're getting there. Mr. Ray, I saw a letter -- and I believe it's in my file, but I believe it was June of 2006, in which you sent a letter to Phil

somebody at AT&T/BellSouth saying, "We tried, but we've not been able to cut a deal. Thank you. It's been a pleasure, but we've got to go to Comcast." Do you remember that letter, or do you have so many letters that it's hard to --

A. I've written so many letters. There has been so much correspondence between the parties. I don't recall it, but it sounds like something I would have --

Q. Okay. It's June 8, 2006. It says, "I'm sure you've been notified by Bill Story of our decision to proceed with Comcast at Nocatee. That was a very difficult decision for all of us, and I'm very disappointed that we were not able to structure something that would work for both the development and BellSouth."

What I would like to ask you about is, could you recount for us, for the record, your dealings with AT&T/BellSouth with respect to the private communities and your attempt to negotiate an agreement with them?

A. Yes. If I could back up a little bit earlier, we had -- Nocatee is the largest DRI in Northeast Florida, and one of the critical development considerations for the community from the beginning has been the establishment of an advanced technology system, advanced technology infrastructure, and that was for the

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delivery of state-of-the-art telephone, data, and video services. And in order to provide really the best possible opportunities for the residents of Nocatee, in the middle of 2004, we solicited proposals from the largest leading technology companies in Florida, which included BellSouth and Comcast.

Q. Who else?

A. It included BellSouth, Comcast, Sprint, Time Warner, MCI, Lightstream. And that's all I can recall right now.

Q. Thank you.

A. And then based on the responses received, for nearly a year, I think between June 2005 and April or early May 2006, we negotiated exclusively with BellSouth. And it was an agreement whereby BellSouth -- in fact, BellSouth presented a proposal in 2005, and it was an agreement whereby BellSouth would be the preferred provider of all three, voice, video, and data services, for all of the Nocatee communities, both public and private, no distinction. And of special interest to us was the fact that the proposal was to provide the Internet protocol television, which was very different and unique not only to this market, but I believe in the State of Florida.

And these negotiations lasted almost a year,

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and in the very, very final hours of negotiation -- I mean, we were within -- we were within days or hours of signing definitive agreements, and a number of things started to change, and we decided not to proceed with BellSouth for several reasons.

One was because BellSouth's Internet protocol television product was unproven, and they were no longer willing to install a backup conventional cable system. When we first started our discussions, which was almost a year earlier, the IPTV product had not been rolled out anywhere. I don't believe it had been rolled out anywhere in the United States, and BellSouth was very willing at that point in time to install a backup conventional cable system, which was very important to us, given the fact that IPTV had not been proven.

As negotiations continued almost a year, by the time we got through the end and we were at the point of -- very close to signing, BellSouth determined that since it was so close and so many advancements had been made in Internet protocol television, they didn't feel it was necessary to install a backup conventional cable system. And we were not at that point in time prepared to risk the technology for the community with no backup system on a video system that had been unproven, so that was one reason we decided not to proceed.

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Also, BellSouth did not have a franchise to provide video services in Duval County, which is one of the two counties in which Nocatee resides.

Another was that BellSouth in their proposal and in our final agreement with them was requiring exclusivity in all of the private and public communities for all three services, and was also requiring a bulk service agreement in lieu of physical exclusivity, which was something we struggled with, which was burdening the residents, up to 30,000 residents in Nocatee over the next 20 years, with a bulk service agreement that required them to use BellSouth services for all three, or at least to pay for it whether they used it or not.

And lastly, we could not come to terms at the very, very end of our discussions on what we called the state-of-the-art provision, which was ensuring that Nocatee would be assured a state-of-the-art infrastructure in the future.

At that point in time, which was -- I believe it was May of 2006, we decided that we were not going to move forward, after a considerable amount of investment over the previous year. We were not prepared to risk the community on a video system that had not been rolled out in the United States and had not been proven. And we at that point in time also decided we just weren't

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going to burden the residents with a bulk agreement, and so we decided to move forward and have a discussion with ComCast, which was our second choice. And probably within 30 to 45 days after that, we had an agreement in place with Comcast.

Q. Thank you. On the AT&T agreement that did not come to fruition, again, that was not just for the two private communities? That was for all of Nocatee?

A. Yes. That was for all of Nocatee, all of the residential -- I believe it may have been limited to residential, but it was at least, at a minimum, all the residential within the Nocatee Development of Regional Impact, which would have included private as well as public communities.

Q. Mr. Ray, there's always a potential of asking questions that involve confidential information. I have no problem if you want to hold back a number or something because it's confidential, so if that happens, just tell me.

In this agreement, this agreement with AT&T that was never consummated or entered into, did AT&T agree to pay Nocatee fees or commissions, door fees or the like?

A. In BellSouth's proposal and in all -- again, the agreements were never executed, but in the proposal

submitted by BellSouth, as well as all the drafts of the agreement, through what we considered to be the final draft, BellSouth did offer as incentives door fees, as well as a percentage of continuing revenue, and in addition to that, a signing bonus.

Q. Now, how deeply involved were you with these negotiations or these discussions?

A. I was the point person.

Q. Who was the point person for AT&T?

A. I would say that the point person as far as decision-making was Phil Jacobs, and Phil, if I remember his title correctly, was president of BellSouth Community Technologies in Atlanta.

Q. Who else did you deal with?

A. Also very involved was Bill Story.

Q. Anybody else?

A. Yes, and I'm seeing if I can find the names here. Dale Garver and Lynn -- and I'm sorry, I can't remember Lynn's last name. It's L-y-n-n, and I can't remember his last name.

Q. Okay. When you informed Mr. Jacobs that it was close, but no cigar, and you had to go to Comcast, and you began negotiating or dealing with the easements with respect to the delivery of voice service by AT&T, did you deal with the same people?

A. No. In fact, when I first called Bill Story and notified him that we were going to move in a different direction, in fact, at that point in time, he told me that it was likely that BellSouth, absent an agreement for all three, voice, video, and data services, an exclusive agreement for all three services in Nocatee, that it was likely that they would not provide telephone service. We moved forward in our discussions with Comcast, and from that point forward, I had several discussions with Phil Jacobs. In fact, I had a meeting with Phil Jacobs in Atlanta. But for the most part, all of the discussions relating to the easements were through the attorneys.

Q. Did Mr. Story tell you why they would likely not provide telephone service absent an exclusive for all three?

A. Yes. In his terms, he said that BellSouth would be economically locked out.

Q. Do you remember when this discussion occurred?

A. Just prior to -- it was a discussion I had with Bill Story when I was telling him that we were about to go in a different direction, so it had to have been in late April or early May of 2006. And then it was confirmed in an e-mail from Phil Jacobs to me after they were officially notified that we had signed with

Comcast.

Q. Was the discussion with Mr. Story face to face?

A. No. It was by telephone. But it was a strong enough discussion to let me know that if we went in a different direction, that we stood the risk of losing basic telephone service in Nocatee.

Q. You won't hear anything from me for a second or two because I'm thinking.

So you -- but you did go with Comcast. You called them, and I think you just testified a few minutes ago that within about 60 days, you had an agreement?

A. Yes, sir.

Q. And that agreement provides an exclusive for video and data, and a non-exclusive for voice; is that correct?

A. No, it really does not provide any exclusives. What we did commit to Comcast is that -- there are no exclusive easements that were granted to Comcast, and we also agreed that we would not grant an exclusive easement to anyone else. Whether it be private communities or public communities, anybody can bring -- any provider can bring any service and put the facilities in the ground. But what we did agree to is

that if in the private communities any of the other service providers activate any service other than voice, that Comcast would have the option to terminate the agreement.

Q. Okay. So in your agreement with Comcast, a condition subsequent of you granting an easement to provide video would give them the option of terminating their arrangement with you; is that correct?

A. Not the granting of the easement, but the activation of the service.

Q. Oh, excuse me. The activation of the service. But I thought I saw an easement from Nocatee that restricted AT&T to just voice only. Am I confusing service with technology?

A. Yes, and I'll try differentiate the two. BellSouth, for example, within the Pulte Coastal Oaks community or the Del Webb Riverwood community has the ability to install whatever facilities they choose within the easement. It's just that the easement we did grant them in those two private communities does not allow them the ability to activate anything other than voice services.

Q. Back to this condition in your agreement with Comcast. Does that condition apply only to the two private communities?

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A. It applies to all private communities within Nocatee.
Q. But not the public?
A. Not the public, because it's public right-of-way, and any provider can bring their facilities in the public right-of-way.
Q. As I understand, you have three agreements with Comcast; is that correct? One is like a marketing agreement, and another is a facilities agreement. Would you mind describing the agreements you have with Comcast for Nocatee?
A. I'll do the best I can.
Q. I actually have it written down here. You have an installation and services agreement, a marketing agreement, and a compensation agreement?
A. That's correct.
Q. Okay. Is this condition subsequent provision in all three, or is it in one and they're interlocking?
A. I'm not certain.
Q. All right. So in your negotiations with Comcast, did they insist on an exclusive on data?
A. Absolutely.
Q. And they obviously insisted on an exclusive for video; is that correct?
A. Yes.

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Q. All right. But not voice?
A. I can't recall.
Q. Well, why didn't you just give them the triple play?
A. Well, I'm trying to recall, and I'm sorry, I just can't recall. There was a bulk -- the agreement with Comcast requires a bulk service agreement, and I can't recall right now what service was included in that bulk agreement, whether it was video and data or data alone. I can't recall.
Q. Well, help me out on this. Explain to me what you mean when you say a bulk service agreement.
A. A bulk agreement in that we would use a master homeowners association for all of Nocatee. So every resident would be part of a master homeowners association, and that master homeowners association was going to be used as a vehicle for collecting a mandatory bulk fee for BellSouth services. And I'm sorry, but I just can't recall whether that bulk fee was data only or data and video.
Q. For Comcast?
A. For Comcast, we do not have a bulk agreement that requires every resident to pay to either a master homeowners association or any other collection agency for Comcast services.

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Q. That's where I got confused, because we established early on that it's directly from the consumer of the service to Comcast.
A. Right. So under our current agreement with Comcast, any resident that moves into Nocatee can choose who their provider is going to be. And under the BellSouth proposal and BellSouth agreement that was never executed, there was a bulk agreement in place that required every resident to pay monthly for a certain service.
Q. All right. I want to go back to the agreement with Comcast directly. Why didn't you agree to extend the -- I'm going to use the term "restrictive," the restrictive provisions on the provision of video and data to voice as well? Why did you only do that for two?
A. Well, many residents just prefer traditional landline phone service because it has a proven history of connection with 911, dependable service, and no need for backup electric power. The only service that Comcast offered for voice was their Comcast digital voice service. And I know they've had success with it, but it's also a very new product and not one with a proven history, and so the traditional landline phone service was something that we felt was particularly

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important in communities with older residents, who are less likely to rely on cell phones or the newer forms of technology. For example, in these private communities that we're speaking of, one of the communities currently being denied access is an age-restricted, active adult community with residents 55 and older, and the other is a high end gated community, which typically will have somewhat older residents.

So we did not feel that we wanted to -- again, very similar to what we did with BellSouth in 2006, we were not prepared to risk the community and to limit the choices of the residents to technologies that, while they may be very successful in the future, they haven't proven themselves to be -- they don't have a history, a track record of success in the past. And while we felt that way with the Internet protocol television with BellSouth in 2006, we felt the very same way when it came time to dealing with Comcast. Comcast had very good video services and very good data services, but could not offer a voice service that was comparable to the traditional landline that BellSouth has historically offered, and we wanted the residents to have a choice.
Q. If AT&T had been able to consummate their proposed agreements with you, the BellSouth agreements, were your projections that you would have made more

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money from them than Comcast, the same, or less?
A. I can't recall. I'm sorry. I can't recall.
Q. What did you say to Comcast when you called them up?
A. I told them that our discussions with AT&T had hit a wall and that I wanted to meet with them. And from there we had a discussion, and it was fairly smooth. Like I said, it took almost a year to get that far with BellSouth, and within probably 45 days we had not only consummated an agreement, but we were already planning. We were moving on, so it was fairly seamless.
Q. I want to ask why that is, but I think what I really mean is how is that. How did that unfold? Why was it smoother with them than with AT&T? For example, was it substantive provisions about interlocking agreements or indemnification clauses, or was it accommodation to build-out schedules? What accounts for your experience with Comcast to have been faster and smoother than that with AT&T?
A. That is a difficult question, and this is all opinion based on just the experience I had in dealing both with Comcast and BellSouth. One is that under the Comcast arrangement, there was no bulk service agreement, and that simplified things tremendously.
Secondly, I think just the decision-making

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process within Comcast, at least in our experience in dealing with these agreements, was more efficient or streamlined, or should I say we got decisions sooner. And they had -- I'm not sure whether it's fewer attorneys or what, but the turnaround time with BellSouth was very, very long. The number of comments and the negotiations point by point were very -- it was extensive. With Comcast, we did not find that to be the case.
Q. Okay. What is the structure of your compensation arrangement with Comcast? Is it a door fee? Is it something else?
A. We have a door fee and a percentage of recurring revenue.
Q. Does that percentage of recurring revenue give you an incentive to promote their voice service?
A. I believe that the percentage of recurring revenue applies to all three services.
Q. So the answer to that would be yes?
A. So the answer would be yes.
Q. I believe AT&T has suggested that in the private communities you pay some amount to help make this an economic as opposed to an uneconomic investment on their part, but you've declined to do that, as I understand. Is that correct?

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A. That's correct. We did not accept the proposals that were presented by BellSouth.
Q. Why not?
A. After we concluded our agreement with Comcast, we were told by BellSouth -- we had a meeting with BellSouth representatives, and it was really to discuss SONOC's arrangement with Comcast and BellSouth's participation in Nocatee.
And the BellSouth representative -- and this was a meeting in our office. Several BellSouth representatives and I met, and they stated BellSouth's commitment to provide voice services to the entire Nocatee community. And what they told us was that at that point in time, irrespective of what happened, that they didn't win the large agreement for the triple play, that they were still committed to Nocatee, that they were committed to providing all three services, voice, video, and data services in all of the communities, and that we were going to proceed. I was very happy with that meeting. I was very happy with the approach that they took. In fact --
Q. What was the date of that? I'm sorry to interrupt you.
A. I believe it was in July of 2006. In fact, I followed that meeting up with a letter to Phil Jacobs

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thanking him for the attitude that his team displayed in spite of the circumstances and that they really were taking a long-term approach to Nocatee, and I told him that I appreciated their commitment to continue to serve Nocatee going forward.
The -- now I've forgotten your question.
Q. Well, my question is, why did you -- why have you not agreed to put some money on the table to get service, and you had gotten to the point where they had responded that they were still committed to serving.
A. Right. And then from that point forward, Phil Jacobs and I had several discussions in which he was letting me know this was something that -- excuse me. Subsequent to that, probably within 30 or 60 days after, I did receive some e-mails from Phil Jacobs stating that, well, that may not be the case, that BellSouth may choose not to provide any voice services in areas where they wouldn't be able to provide all three services. And we had a number of discussions, and we agreed to meet in Atlanta in Phil's office to see if we would work out something that was beneficial to both parties, and I met with him in Atlanta on October 16th to discuss the circumstances in which BellSouth would provide telephone services to the private communities.
At that point in time, one of the proposals

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that Phil Jacobs -- one of his proposals was one in which we might participate in some form. In fact, at that point in time, what he had proposed -- and again, this was not a formal proposal; this was just discussion between the two of us -- was the possibility of us contributing to the installation of conduit in the first phase. And what that would allow is that BellSouth in the future, if we ended up terminating our agreement with Comcast or if Comcast ended up terminating the agreement -- again, this is a community that will be building out over the next 20 years. It would allow BellSouth to have the conduit in the ground.

But we had discussed a scenario in which SONOC would either contribute or pay for the installation of conduit, and I told him at that point in time we would definitely consider that, and he was going to go to work on getting the numbers together.

And when the numbers came in -- in fact, at that point in time, Phil even mentioned, "We'll try to do it in a way where we're dealing with just the cost of the hard material and the installation, not any overhead costs or anything else." When the numbers came in, they just were much higher than what we had discussed in Atlanta, and it just wasn't acceptable.

Again, all we did was, we wanted BellSouth to

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build out and provide the same basic telephone service to the private communities in Nocatee that they've provided for years throughout the Jacksonville area, and the numbers with just unacceptable.

Q. Now, these were numbers for the two private communities?

A. That's correct, for the first phase, I believe just the first phase of the two private communities.

Q. Do you remember what those respective amounts were?

A. I'm sorry, I don't.

Q. Okay.

A. At that point in time, I think we both just agreed that we were going to turn this over to our respective attorneys.

Q. I'm having a little difficulty understanding the treatment by Comcast and AT&T of Riverwood and Coastal Oaks versus the public areas when it comes to these build-outs. The question I want to ask you is, turning to AT&T, and not pertaining to Riverwood or Coastal Oaks, but the part of the public community that is separated by a greenway of a quarter of a mile, is AT&T currently deploying facilities in that area, or have they deployed facilities in that area?

A. I don't know if they're currently deploying

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facilities. I do know from meetings that AT&T representatives continue to have with SONOC's engineers that they are planning to install facilities to provide all three services in all of the public communities.

Q. Because there would be public rights-of-way, and --

A. There are public rights-of-way.

Q. And you would not be able to restrict by easement their ability to turn up the video and data.

A. That's correct. So it's my understanding again from my meetings with my engineers, who are meeting routinely with BellSouth, that they are actively installing facilities in the public residential communities that are currently under development. And I know that one in the particular, the development is already completed and the BellSouth facilities have already been installed. The other --

Q. How many -- I'm sorry.

A. The other public communities are in different stages of development, and that's why I can't say with certainty whether or not the development is even at the stage yet where the BellSouth facilities would be going in the ground.

Q. In terms of the total number of single-family homes, what would be at total build-out the ratio

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between public single-family homes and private single-family homes? Is it 50-50, one to one, three to one, one to four?

A. That's a difficult question, because it will be somewhat dictated by the market. I would probably guess that we will have approximately 13,000 homes at build-out, and there could be 5,000 to 7,000 homes in private communities. Again, that will be a function of the market demand. Typically if there's a golf course community, oftentimes the golf course community will be behind gates, and that will be a private community. So a lot of it will be dependent on the market conditions.

Q. I notice that Riverwood has condominiums.

A. Yes, it does have some. It has condominiums. Riverwood ultimately will have about 1,100 homes, and there will be everything, including -- there will be single-family homes, what they call carriage homes, and there will also be condominiums.

Q. Okay.

A. And the Riverwood community, if I could just add, the Riverwood and Coastal Oaks communities are just -- they're villages within the boundaries of Nocatee. And there will ultimately be public villages, villages with public right-of-way, residential communities that are non-private that are south and north -- I don't want

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to quite say surround, but that will be to the north and to the south of these two private communities. There will also be additional private communities in the future, but we have not identified which communities will be private and public. Again, it will be somewhat dictated by the demands of the market.

Q. Thank you. Mr. Ray, I need the benefit of your experience and expertise and knowledge of Nocatee to respond to the following. And I don't know if there's an answer, so it is speculation, so that's fine by me. But I wanted to understand -- let's say, for example, that the Legislature decided that there would be no more carrier-of-last-resort obligation in private communities. Let's just say that. How would that change your approach with AT&T over the next few years? Would it make any difference to you as a developer?

A. Yes, I do. When we were negotiating with BellSouth a long-term agreement, I mean, they told us that they might not provide voice service without an exclusive arrangement for voice, video, and data.

In this area, in the Jacksonville area, in my opinion, they have an inferior video product, and that was also something that the BellSouth representatives agreed with. When we talked about Internet protocol television, which is a video product of the next

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generation, that was a different story. But for the current video product, it's an inferior product. And when we were negotiating a long-term agreement, we were told that they may not provide voice service without an exclusive arrangement for voice, video, and data.

And if BellSouth is relieved of its obligation to provide voice service to Nocatee or to any other development -- and this is being watched closely by developers. Developers in Florida will be forced into choosing BellSouth for all services, knowing that they've got the ability to withhold basic voice service or to require developers to pay for it. In effect, developers are going to have to choose to select BellSouth as their carrier of choice for all services or risk the loss of just the basic BellSouth phone service for residents.

Q. Well, how do we know you're not gaming it? How do we know that you're not entering into an arrangement where you say, "I know if I give you three exclusives, I lose AT&T, so what I'm going to do is give you two exclusives and agree," wink, wink, "to market your voice so that we can keep AT&T on the hook"? How do we know that's not happening?

A. The only thing that we would have to gain from that is the revenue participation on voice, and I can

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tell you it's not that significant. This town will ultimately have 13,000 residents, and that is just not that significant.

Q. Help me with that. Let's assume for the moment that the voice product was 50 bucks per customer per month. 13,000 homes, what's that? 6,500, or is it 65,000? It's about a million a year, isn't it? I mean, actually, I'm just kind of trying to understand this, because typically I think of voice service as being lucrative at some level.

A. One is, when we put this together, we did not contemplate a penetration rate of 100 percent for voice. And the real financial benefit in a recurring revenue, which is very consistent with what BellSouth had proposed to us, was in the video and the data, and I just don't remember that being significant. And I can tell you that in my analysis, it was not something that would have been a deal killer one way or the other.

Q. Well, what would happen if you allowed AT&T to turn up video in Riverwood, for example? That would allow Comcast to basically cancel their contract or to decide to renegotiate.

A. That's correct.

Q. So why don't you let them do it?

A. Well, long-term agreements allow developers to receive commitments from the providers that provide service. They allow developers to receive commitments from the telecommunications providers that they otherwise would not get. And the larger the community, the more leverage there is to receive these commitments.

These are commitments such as establishing customer service standards, providing service to each resident immediately after they close on their home, and ensuring that the facilities are upgraded timely. So these are all commitments that could never be negotiated individually by the residents, but can be negotiated by the developer to ensure that the residents have state-of-the-art facilities, have service when they need it, and have a standard of customer service that they otherwise would never receive.

Q. And that sounds very positive when you can get it, but right now you've got it only for two out of three, and you've got AT&T frosted because they say they can't really make it in the private communities just on voice.

So I guess the question I'm trying understand -- and obviously, this is conversational here, Mr. Ray, but the thing I'm trying to understand is, why don't you say to both of them, "To heck with both of you. If you want this service, come on in. We're going to have

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competition, and neither one of you get an exclusive, and both of you can compete for that, and if you don't like it, we'll find someone who's willing to"? Why don't you do that?

A. It was for that very reason. It was for the very reason I said. Right now, after executing a definitive agreement with Comcast and receiving the commitments that we did from Comcast, the commitment for customer service standards, the commitment to day one, door one, not to wait until there are so many residents or a string of homes over half a mile or a mile, but a commitment to provide service to the residents when they move in, to establish customer service standards, and to get some sort of commitment on -- a state-of-the-art commitment to upgrade the facilities is very important to us. And if we were to allow Comcast right now to opt out of their agreement, we would be right back to where we started, which would be opening up a community that would ultimately have 30,000 residents with no commitment from either provider to provide services when people move into their homes.

Q. Okay. Thank you. So it sounds like you either have a carrier-of-last-resort obligation for installing facilities or a long-term commitment contractually.

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A. And it's important to us. We've always known with BellSouth that there would be -- and there has historically been in other developments. There will be telephone service. There is landline service in every development that we've done, and we've always assumed that there will be electric service provided to every resident and there will be landline telephone service.

Data and video services in our communities were always handled differently. Those are somewhat based on the technology available, the level of service, and we've handled data and video as very different products than voice services.

Q. I've got a couple more questions, and then I think I want to take about a minute and look around the room and see if we're about done here. I appreciate it. There may be other questions from Mr. Meza or Mr. Self. I don't know.

Your easements that you have for the private communities versus your easements for the public communities, when you have a public easement, are the terms the same as you have for the private easement?

A. I believe that the significant difference between the easements for the public communities and the private communities was the restriction to activate, the restriction on activation of data and video services.

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Q. Okay. So the solution, obviously, is to get DRIs made so that there can't be any such thing as a private easement, they're all public easements. If that happened, then you would have competition, I guess, because you've got it in the public areas; right?

A. Yes, there is. BellSouth -- there is in the public areas at least two service providers. But practically, what will happen here is, the ability -- large DRIs are still looking for long-term commitments from providers for data and video services, and the ability to withhold basic voice service no doubt, in my mind, will be used as a hammer by BellSouth to require developers and residents to subscribe to the other services whether they're competitive or not.

Q. You've mentioned I think four or five times the importance of having a state-of-the-art assurance in your working agreements or your contracts with Comcast or whoever the provider is. Could you tell me a little bit more about that? What are you contemplating would change in two years that they would need to upgrade their facilities? Do you know?

A. No, and I think that's the very reason we have it, is because we don't know. One thing I can say with certainty is that if we look backwards, there have been a number of changes in technology and data speeds and

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the amount of information that can come across the system. We know that there's been a movement from co-ax cable to fiber, and now fiber moving even closer to the home. And we also have this video product being introduced called Internet protocol television. So I think the best thing that we can say is we don't know what we don't know, but the thing that's certain is that technology is going to change over time.

And what we don't want to end up with is a brand new community that borders -- we are just to the east of Ponte Vedra Beach, which is a very high end resort area within Northeast Florida, and we are just a mile from there, and we cover about 28 squares miles in the southern part of Jacksonville. And we don't want to be a large, brand new town that in a matter of years ends up with antiquated technology, so it has been important to us to get a provider to give us some sort assurance that as new technology rolls out, that we will be kept current.

Q. Well, thank you. Which brings me to my question. Why are you not or someone from your company that has personal experience in this evolving working relationship with AT&T, why aren't you here as a witness? Why has your participation been limited to just the pleadings and responding to discovery and doing

discovery at this point?
A. We're a company of less than 15 employees, and we've got responsibility for the development of a new town that will have over 25,000 residents. And candidly, we don't have the time or the resources to challenge BellSouth.
In my opinion, the stakes for BellSouth extend well beyond the Nocatee project, and we understand that if they're successful, it's going to change the business model for them as an organization. And investing the time of management -- the teams of in-house counsel that BellSouth has available to them at substantial dollars clearly could reap great returns for them in their competitive fight with the other telecom providers.
This battle could consume our organization. It's not -- so this issue, in my opinion, this issue for BellSouth extends well beyond Nocatee. We are just a pawn in a much larger fight. We can't take that fight on for the industry. We've got less than 15 people total in our organization, and we just don't have those kind of -- we don't even have one in-house counsel. Everything that we do would require a strong commitment of internal resources and external resources, as well as funding, and it's not a battle we can take on.
Q. And that's the basis? This is not a joke

here. That's the basis, a managerial decision that in terms of the resources available, you just don't have them, and you have to allocate them elsewhere?
A. That's correct.
Q. Is your working relationship with SONOC -- I want to make sure I get that name right -- only in this Nocatee area, or do you work with them elsewhere?
A. No. We have worked with SONOC in several residential developments, and we have one other residential project with SONOC right now other than Nocatee.
Q. Where is that?
A. It's also in Jacksonville, Florida. It's a residential community called Pablo Creek Reserve.
Q. Where is that in Jacksonville?
A. It is south of the city. It's Southeast Jacksonville.
Q. Okay. Do you have a triple play provider there?
A. If I remember correctly, Comcast has the Duval County -- Pablo Creek Reserve is in Duval County. And as I mentioned earlier, unless something has changed in the last several months, BellSouth does not even have a video franchise in Duval County, and Comcast does. And I believe Comcast is the only provider in Pablo Creek

Reserve with all three services. This is a very small community. Pablo Creek Reserve has just a little more than 250 homesites.
Q. So the answer is yes, they have triple play there, and that's exclusive?
A. I'm sorry. I don't recall if it's exclusive. It is a private community, and the triple play is being offered by Comcast.
MR. WIGGINS: Thank you. What I would like to do is just step outside for a moment with my co-counsel here and ask him a question. I think I may be done. Do you mind taking like a two- or three-minute break?
THE WITNESS: That's fine. Shall I stay on the line?
MR. WIGGINS: Yes, sir. You've been very patient. I appreciate it.
THE WITNESS: No problem.
(Short recess.)
BY MR. WIGGINS:
Q. Mr. Ray, I'm back.
A. Yes, sir.
Q. We're back on the record. I think I've only got one more question, hopefully.
You said, I think, that you did not expect

100 percent voice participation from Comcast in terms of people taking VoIP. Do you project a voice penetration level for Comcast, or have they, to your knowledge?
A. Yes. The answer is yes to both questions. BellSouth did project a penetration, and I believe their projection was 20 percent.
Q. Let's go back. I want to make sure. On Comcast's VoIP product in the two private developments, do you have a projected penetration rate of their takers for voice? Do you think they'll be at 60 percent, 80 percent, 100 percent?
A. We had internally projected -- based on our discussions with Pulte Del Webb particularly, because that is the age-restricted, active adult community, we had internally projected that the penetration would be approximately 50-50 for both services.
Q. Both services being AT&T versus Comcast?
A. Correct.
Q. And that's in the age-restricted?
A. That's correct. Also, for the Toll Brothers Coastal Oaks community, again, because that is a higher end, gated community, heavily amenitized -- those are the most expensive homes that we're offering in our first phase. We had projected internally that that buyer would be more inclined to require traditional

landline phone service.

And again, from the very beginning with Comcast, Comcast would have preferred exclusivity on all three services, and from the beginning, we told them we could not accept that. We just could not mix data and video products with voice services, and Comcast had not delivered a voice service that we believed was going to be acceptable to a number of our residents, and so we just were not prepared to require that of the residents. But internally, we had projected approximately 50-50.

Q. Okay. Thank you. I want to go back to actually the very specific concrete problem we have before us here at the Commission, which is that AT&T has petitioned to be relieved of or waived -- is it relieved or waived? Waived the carrier-of-last-resort obligation at the two private developments. They have come to you and said, "If you'll pay some money, we can swing this. We can make it not uneconomic. In other words, we can make it economic enough for us to agree to provide service." You've said the number was too large and a non-starter, as it were. Have you counteroffered a number?

A. No, we did not.

Q. Why not?

A. First, the proposal that was put before us did

not have a lot of support behind the numbers, and the penetration rate was, I believe, 20 percent. I believe there were two factors to their proposal. One was the actual total amount of infrastructure cost, and second was the penetration rate. Those were basically the two assumptions.

I had probably two meetings with BellSouth either by telephone or in person to discuss that proposal and did not feel that we were going to be successful in getting that down to a reasonable number. I just did not -- I believed it was not going to be time well spent and that it was going to be in our best interest to just move forward and have a determination on whether or not BellSouth had an obligation to provide landline phone service.

I felt like I was making good progress in my meeting with Phil Jacobs in Atlanta. But once it was basically turned over to the attorneys, those discussions stopped, and everything beyond that was very cautious and documented, and we were just not making progress.

Q. This is the sound of me thinking.

Well, have you internally determined an amount that you would be willing to pay?

A. No, we have not done that.

Q. But clearly, there must be some amount. You would do it for 10 bucks, wouldn't you?

A. Oh, absolutely.

Q. All right. So there's some number that you would be willing to pay, but you haven't determined that?

A. That's correct.

Q. And that's because you moved on to other things at some point and decided it wouldn't be worth pursuing?

A. Well, I didn't feel that the discussions with BellSouth would be constructive. We were so far off in our -- and again, the two variables were the number itself, the cost of the infrastructure, and I didn't get adequate detail as to what was in it. I believed that the numbers were high. And then the other was the discussion on the penetration rate. We were so far off from what we would have paid that I just did not think the discussions would be constructive.

And again, the only thing presented to us was a Phase 1 solution, and this is just one phase for two private communities. And ultimately, again, Nocatee will have multiple private communities. So the amount that we're willing to invest in BellSouth's infrastructure is not just the first phase of these two

communities, but it's also going to have an effect on what happens in the future.

I'll say this. It would have been -- when I go back over the discussion, because we -- I guess I would call this a commentary, but we wanted to deal with BellSouth. That's why we spent a year and tens of thousands of dollars in attorney's fees to try to come to an agreement with them. And we wanted that agreement to work. I have a very good working relationship with Phil Jacobs and Bill Story. I felt very comfortable working with them, and we wanted that arrangement to work.

And there is no doubt in my mind that if the Commission had already determined in some previous case that if BellSouth didn't get the ability to offer all three services in a DRI, because of that, BellSouth had the ability to pull out and had no obligation to provide landline phone service, then clearly, I would have felt that I had no choice but to accept a long-term agreement with BellSouth. It would have been the hammer for me, because we would have been in a situation where we were asking ourselves, are we willing to risk having effective landline phone service in a community this large just for the benefit of getting the best and most competitive data and voice service, and the answer

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probably would have been no.
And that's what's the most challenging thing about this to me, is that by the Commission granting BellSouth the ability to withhold voice service, it's not an issue with voice service, but it now puts developers in a position where they have no choice in the large communities where you're looking to get other commitments from the telecommunications carrier. It provides BellSouth the ability to bring in an inferior product. But the hammer that they have that no one else has is the ability to withhold basic landline phone service.
And the day will come -- I believe the day will come, possibly in the very near future, when that won't be an issue any longer, but it still is today. And when somebody buys a home and they want BellSouth traditional landline phone service that has no backup power source, it's not a digital service that's been unproven, they know it's got connectivity to 911, there is no substitute. And again, the time will come in the future that that won't be an issue, but that time is yet to come, and unfortunately for us as developers, we have to deal with today.
Q. Thank you. I gather that at that point, you felt like your numbers were so far apart that it was not

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worth pursuing, and you didn't ask for backup on their data?
A. I did ask for backup, and the backup was very -- it was very light.
Q. Well, the last question, which is maybe my commentary, what I don't get is, you've got this huge development, and you've got -- 50 percent of it is going to be private communities. It's hugely important to you to get AT&T's voice service, and you haven't looked at your own -- or created your own framework for assessing how much you're willing to pay to get them there. I mean, I understand that you're rejecting their number and their approach, but you haven't actually said, "If I've got to pay something, here's what I can afford, and here's why, and here's how it affects downstream, and I'm willing to do that." It would seem to me if I was a business person, I would be doing that parallel to the attorneys mucking it up.
A. Well, I think our business decision was how much are we going to pay in legal fees and comparing that to the amount that we would have been willing to pay. We believed that BellSouth had a legal obligation to provide voice telephone service, and we also believed that there was nothing special about this construction. So in our mind, the decision was how much are we going

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to spend in legal fees to fight this. There would have been an amount we were willing to pay to avoid a legal battle, and that was really the decision that we made.
MR. WIGGINS: Well, Floyd thinks it's a good one.
Mr. Ray, I'm done. I appreciate your taking time out of your schedule to let us do this. It was very useful to me at least. And I think Mr. Meza for AT&T -- Jim, do you want this chair? Mr. Meza for AT&T has a few questions to follow up.
THE WITNESS: All right. Thank you.
MR. WIGGINS: Thank you, sir.
CROSS-EXAMINATION
BY MR. MEZA:
Q. Mr. Ray, good afternoon. My name is Jim Meza. I'm a lawyer, one of those lawyers for BellSouth, now AT&T, "Your World. Delivered."
I just have a few questions, sir. I'm not going to take up too much of your time, but I want to make sure I understand your view of the arrangements you have with Comcast. Would it be fair to say that the door fees and other economic consideration that you're getting from Comcast also applies to the public communities?
A. Yes, they do.
Q. Okay. So you have entered into some type of arrangement with Comcast whereby they're going to pay you some type of economic consideration, even though AT&T is free to provide its suite of services in those public communities; is that correct?
A. That's correct.
Q. And just to be clear, AT&T is providing service to those public communities, correct, or will be?
A. It's my understanding that AT&T -- I know they are currently providing service to one, and my understanding is that they plan to provide services to the other public communities that are currently under development.
Q. So it's not entirely accurate to say that if the Commission grants the petition that you will be forced to go with AT&T for all services?
A. Yes, I do, because those are only two of the provisions in our agreement with Comcast. I would not be able to say that we would have been able to receive all of the commitments that we have from Comcast if all of Nocatee was going to be a public community with AT&T services provided in every one of the residential communities. That would not be an accurate statement.
Q. But isn't it fair to say, sir, that the reason

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AT&T has filed this petition with the Commission is because of Nocatee's requirement that it only provide voice service in the private communities?
A. That's correct.
Q. And there is no similar restriction in the public communities?
A. I don't know what the basis for AT&T's filing is. I can't speak to that.
Q. I'm asking you if there's a similar restriction on the services that AT&T can provide in the public communities.
A. No, there is not.
Q. Okay. Are you going to let AT&T provide data and video service in the private communities at any point in the future?
A. In the private communities?
Q. Yes.
A. As long as the agreement that we have right now with Comcast is active, then AT&T will be restricted from providing data and video services. I can't speak to what might happen in the future.
Q. Now, one of the agreements you have with Comcast is a marketing support agreement; is that correct?
A. That's correct.

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Q. And my read of this agreement -- and I don't know if you have it in front you, but it requires the developer or owner to provide certain marketing materials to any purchaser of any home in Nocatee, or potential purchaser; correct?
A. That's correct.
Q. And it's not just limited to the private communities; is that correct?
A. That's correct.
Q. All right. And one of the things that the agreement covers is the presentation of marketing materials regarding all of Comcast's services; is that right?
A. Yes, it is.
Q. So you tell prospective owners -- or you provide to prospective owners of homes in Nocatee marketing materials that Comcast gives to you regarding voice, cable, and data services that they provide?
A. That's correct, very similar to the marketing requirements under what would have been an agreement with BellSouth.
Q. When you give them these materials, do you tell them that you believe that Comcast's voice service is inferior to BellSouth's?
A. We are not distributing these materials

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ourselves as a developer. We are requiring our builders to comply with the commitments that we made to BellSouth to notify the prospective residents of the availability of these services and to present the materials.
Q. So the answer to my question is no?
A. I am not aware, because again, we have committed -- our developer/builders that we have sold land to, we have required them to comply with the marketing support provisions in our commitment to Comcast, and our commitment to Comcast was limited to notifying them of the availability of services and then presenting the marketing materials.
Q. And also to display and maintain materials?
A. Yes, to display materials in the model homes.
Q. Okay. And from my read of this agreement, not only do you get door fees, but you also get a marketing support fee; is that correct?
A. That's correct.
Q. And my understanding after reading this provision is that you get a certain percentage of revenue based upon the number of customers that buy Comcast's suite of services; right?
A. That's correct.
Q. So it's not in your economic interest for any of the potential owners or residents of Nocatee to have

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BellSouth's voice service; is that right?
A. I'm sorry. Would you repeat the question?
Q. It is not in your economic interest for any of the residents of Nocatee to have BellSouth's voice service; correct?
A. If the only issue at hand is the marketing support fee, then the answer is correct. But there are more considerations than the marketing support fee. Ultimately, over a 20-year period, our economic interest is in selling 14,000 acres and ultimately having 14,000 happy residents, or 30,000 happy residents in 14,000 homes. The economics of that are far greater than a marketing support fee for voice services.
Q. All right. Let me see if I can break it down even simpler for you. You get money from Comcast when Comcast signs up a voice service customer; correct?
A. We get a door fee when Comcast signs up a customer, and we get recurring revenue paid by subscribers for voice, data, and video.
Q. And you do not get a similar fee from AT&T when a customer signs up for AT&T Florida's services, voice services; correct?
A. That's correct.
Q. Do you have Nocatee's answers to the request for admissions in front of you?

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A. Yes, I do. Help me work my way through this and tell me what it says on the top.
Q. Sure. I believe it's Nocatee Development and SONOC Company's list of developers, the responses to BellSouth's first request for admissions, numbers 1 through 20. It was dated the 29th of June.
A. Bear with me. I'm working my way through everything.
Q. Okay.
A. Is this the interrogatories numbered 1 through 13?
Q. No, sir. It's entitled "Request for Admissions."
A. Request for admissions, yes, I do have that.
Q. Okay. I'm going to ask you questions on 1 and 2, Nocatee's responses. And if you read number 1 and 2, you would agree with me that Nocatee denied those statements; correct?
A. That's correct.
Q. And I don't mean to burden you here, but if you could look at the compensation agreement between Comcast and Nocatee, the first "whereas" clause, I'm going to read it and try to determine after reading that why Nocatee denied the request for admissions. Let me know when you're there.

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A. I'm there.
Q. I'm reading the first "whereas" clause in the compensation agreement that states as follows: "Whereas, the company and owner desire to enter into an installation and services agreement, paren, installation agreement, close paren, pursuant to which the company will provide broadband communications services to the premises, including but not limited to cable television service, on an exclusive basis to the extent provided in the installation agreement." Did I read that accurately?
A. Yes, you did.
Q. And AT&T Florida asked Nocatee to admit that it entered into an exclusive service agreement with Comcast for the provision of cable services and for the provision of data services to Riverwood and Coastal Oaks, which Nocatee denied. And I was wondering if you can explain to me why Nocatee denied those requests for admissions, given that paragraph in the "whereas" clause that I just read.
A. In the "whereas" clause, reading the final words, it says, "on an exclusive basis to the extent provided in the installation agreement." It did not stop with "on an exclusive basis," period, but only to the extent provided in the installation agreement.

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And I think we clarified that the Comcast documents don't require that the facilities be the only or exclusive data or video facilities, nor do they prohibit the installation of the network. The only -- if we grant an easement to another telecommunications provider, if we allow them to put their facilities in the ground, we are not in conflict with our Comcast agreement. If we allow them to activate those services, Comcast has the option to either terminate the agreement or continue on. So we don't see that as exclusivity.
Q. So you do not read the phrase "exclusive service agreement" -- or you read that to mean the installation of facilities?
A. I'm sorry. What phrase did you refer to?
Q. We asked you to admit that Nocatee has entered into an exclusive service agreement with Comcast for the provision of video and cable services to the Riverwood and Coastal Oaks subdivisions within the Nocatee development.
A. Yes. We don't.
Q. You don't what?
A. I'm sorry. I'll ask you to repeat the question again.
Q. I'm asking you, in what way are you construing the phrase "exclusive service agreement with Comcast" such that you are able to deny that request for admission?
A. Well, we don't have a contractual obligation that unconditionally restricts either us or Comcast. What we do have is an agreement with Comcast that provides for non-exclusive easements and also gives us the ability to grant non-exclusive easements to other telecommunications providers for the purpose of installing facilities. We have a restriction against activating data and video services in the private communities. If we activate those services or if we allow another telecommunications provider to activate those services, Comcast has the option, but not a requirement -- it doesn't terminate the agreement. Comcast has the option to terminate the long-term agreement.
Q. Okay. Well, go to the second "whereas" clause in the compensation agreement real quick. Let me know when you're there.
A. I'm there.
Q. It says, "Whereas, in exchange for such exclusive rights as set forth in the installation agreement, the company will pay a per unit fee as set forth herein." And the company is defined as Comcast; is that correct?

A. That's correct.
Q. So Comcast is paying you a door fee or a per unit fee for some exclusive rights; is that accurate?
A. That's correct, as set forth in the installation agreement.
Q. All right. What exclusive rights are they getting in exchange for this per unit fee that they're paying you?
A. They have a -- under the agreement, they have a right that -- so long as this agreement is active, they have a right to -- let me say it this way. They will -- if SONOC allows another telecommunications provider to activate facilities, they have the right to terminate the agreement. So they have whatever comfort -- there's a certain amount of comfort that Comcast receives that they will only be paying -- the compensation agreement and the amounts payable under the compensation agreement will only apply to the extent other telecommunications providers have not activated their services.
Q. Okay. I understand what you're trying to say. And just to make sure I'm clear, you don't get any money if you allow BellSouth to provide data and video service, or Comcast has the right -- strike that. Comcast has the right to get out of this compensation

agreement if AT&T Florida provides video or data services to those private communities; correct?
A. That's correct.
MR. MEZA: All right. I have no further questions.
MR. SELF: Rick, this is Floyd Self. I do not have any redirect or follow-up questions.
MR. WIGGINS: Nor do I. This is Patrick Wiggins. The deposition is concluded. Thank you, Mr. Ray, for your cooperation.
THE WITNESS: Thank you very much.
(Deposition concluded at 4:45 p.m.)

CERTIFICATE OF REPORTER

STATE OF FLORIDA:
COUNTY OF LEON:

I, MARY ALLEN NEEL, Registered Professional Reporter, do hereby certify that the foregoing proceedings were taken before me at the time and place therein designated; that a review of the transcript was requested; that my shorthand notes were thereafter translated under my supervision; and that the foregoing pages numbered 1 through 66 are a true and correct record of the aforesaid proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor relative or employee of such attorney or counsel, or financially interested in the foregoing action.

DATED THIS 11th day of July, 2007.

MARY ALLEN NEEL, RPR, FPR
2894-A Remington Green Lane
Tallahassee, Florida 32308
(850) 878-2221

M C
& S

MESSER CAPARELLO & SELF, P.A.

Attorneys At Law

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July 25, 2007

Ms. Jane Faurot
Commission Clerk and Administrative Services
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket No. 060822-TL

Dear Jane:

Enclosed is the original completed errata sheet for the deposition of Richard T. Ray taken in the above matter on July 10, 2007. We believe the errata sheet is, or should be, a part of Hearing Exhibit 12.

Please contact me if you have any questions.

Sincerely yours,

Floyd R. Self

FRS/amb
Enclosure
cc: Lynn Pappas, Esq.
Parties of Record

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Main Telephone: (850) 222-0720 / *Fax:* (850) 224-4359

ERRATA SHEET

Under penalties of perjury, I declare that I have read the foregoing transcript of my deposition, pages 1 through 67, and that the facts stated therein are true, including any corrections and/or amendments listed below.

7-24-01
Date

RT Ray
RICHARD T. RAY

Page	Line	Correction or Amendment	Reason for Change
13	1-5	Insert the following after the word "restricted", "and as relates to the private communities, the form of easement has not been accepted by Bellsouth because of the restriction on the activation of data and video services."	The form of easement for the private communities has not been finalized because of Bellsouth's petition to the Commission.
15	8	Insert the words "executed and recorded" after the words "have been".	Clarification
19	12	Delete the words "for all three"	The final arrangement with Bellsouth included a bulk arrangement for data services only.
22	5	Delete "an agreement for all three, voice, video and data services, an exclusive agreement for all three services" and replace with "the ability to provide all three services"	Clarification.
24	16	Delete the word "Pulte" and replace with "Toll Brothers".	Correction
24	20	Replace the word "grant" with "offer"	Correction
25	22	Replace the word "Absolutely" with "Under the terms of the Comcast agreement, Comcast required the ability	These changes are necessary because even though the

		to terminate the agreement if another provider activated data or video services in the private communities."	question was asked about Comcast, I answered as if the question was about Bellsouth. The corrected testimony here reflects answers for the questions asked regarding Comcast
25	25	Replace the word "Yes" with "Under the terms of the Comcast agreement, Comcast required the ability to terminate the agreement if another provider activated data or voice services in the private communities."	These changes are necessary because even though the question was asked about Comcast, I answered as if the question was about Bellsouth. The corrected testimony here reflects answers for the questions asked regarding Comcast
26	5	Replace the response with the following "Under the agreements with Comcast, they do have the ability to offer the triple play in all communities, public or private."	These changes are necessary because even though the question was asked about Comcast, I answered as if the question was about Bellsouth. The corrected testimony here reflects answers for the questions

			asked regarding Comcast
34	4	Replace the word "with" and replace with "were".	Correction
37	19-20	Delete "without an exclusive arrangement for voice, video, and data" and replace with "in the private communities if they were not able to provide video and data services along with voice services".	Correction
38	4-5	Delete "without an exclusive arrangement for voice, video and data" and replace with "in the private communities if where not able to provide video and data services along with voice services".	Correction
59	2	Replace "Bellsouth" with "Comcast".	Correction
64	14	Replace the words "it doesn't" with "to".	Correction

ERRATA SHEET

Under penalties of perjury, I declare that I have read the foregoing transcript of my deposition, pages 1 through 67, and that the facts stated therein are true, including any corrections and/or amendments listed below.

7-24-07
DATE

RICHARD T. RAY

STATE OF Florida

COUNTY OF Duval

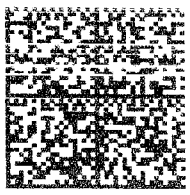
The foregoing instrument was acknowledged before me this 24 day of July, 2007, by Richard T. Ray, as President of Nocatee Development Co.

(Print Name _____
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State of Florida at Large
Commission #
My Commission Expires:
Personally Known ✓✓
Or Produced I.D. _____

Type of Identification Produced

Lauren L. Owens
Commission # DD359213
Expires November 3, 2008
Bonded Troy Fain - Insurance, Inc. 800-385-7019

M C & S MESSER CAPARELLO & SELF, P.A.
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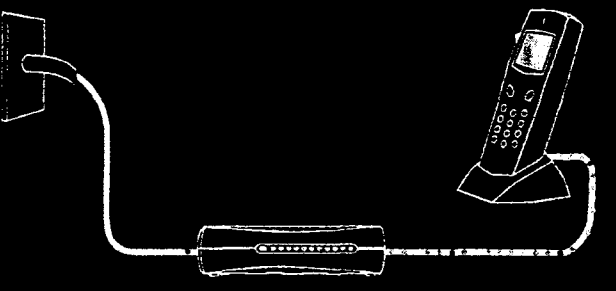
Ms. Jane Faurot
Commission Clerk and Administrative Services
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Florida Public Service Commission
2540 Shumard Oaks Blvd
Tallahassee, FL 32399-0850

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Comcast Digital Voice

With Comcast Digital Voice, you sacrifice nothing and gain everything. You get the same quality, clarity, and features as traditional phone service, plus advanced features — such as online access to Voice Mail — all on our private broadband network.

Our technicians will install an eMTA (embedded Multimedia Terminal Adapter, similar to a cable modem), and connect it to your phone and cable modem. And then you're ready to go — no fuss, no mess. Also, the eMTA is a backup power source, in case your power goes out, and it provides access to E911, which automatically supplies emergency services with your telephone number and address.



eMTA

Savings & Simplicity Loaded With Features How It Works FAQs

comcast

E911 Disclaimer

Comcast Digital Voice service (including 911/emergency services) may not function during extended power outage. Certain customer premises equipment may not be compatible w Comcast Digital Voice services.

Glossary

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060822-TL EXHIBIT 13
COMPANY AT+T Florida
WITNESS Elizabeth R.A. Shiroishi
DATE 07-24-07 (ERAS-1)

BELLSOUTH
TELECOMMUNICATIONS, INC.
FLORIDA
ISSUED: July 17, 2006
BY: Marshall M. Criser III, President -FL
Miami, Florida

GENERAL SUBSCRIBER SERVICE TARIFF

Second Revised Page 1
Cancels First Revised Page 1

EFFECTIVE: August 1, 2006

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS

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FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060822-TL EXHIBIT 14
COMPANY AT&T Florida
WITNESS Elizabeth R.A. Shiroishi (ERAS-2)
DATE 07-24-07

All BellSouth marks contained herein and as set forth in the trademarks and service marks section of the BellSouth Tariffs are owned by BellSouth Intellectual Property Corporation.

BELLSOUTH
TELECOMMUNICATIONS, INC.
FLORIDA
ISSUED: August 6, 2002
BY: Joseph P. Lacher, President -FL
Miami, Florida

GENERAL SUBSCRIBER SERVICE TARIFF

First Revised Page 1
Cancels Original Page 1

EFFECTIVE: August 21, 2002

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS

A5.1 General

A5.1.1 Contents

Section A5. contains the regulations, rates and charges applicable to the provision of Company services which require:

- Special Construction
- Additional Engineering, Labor and Miscellaneous charges
- Charges for Unusual Installations
- Specialized Service or Arrangements
- Contract Service Arrangements
- Emergency Service Continuity Plan (N)

A5.1.2 Explanation of Terms

ACTUAL COST

The term "Actual Cost" denotes all identifiable costs applicable to the specific case of special construction, plus prorated costs of items used in common with other facilities minus estimated net salvage.

ESTIMATED COST

The term "Estimated Cost" denotes the estimated costs applicable to the specific case of special construction of facilities plus prorated costs of items used in common with other facilities, minus estimated net salvage.

EXCESS CAPACITY

The term "Excess Capacity" denotes a quantity of facilities requested by a customer which is greater than that which the Company would construct to fulfill the customer's order for service.

FACILITIES

The term "Facilities" denotes any cable, poles, conduit, microwave or carrier equipment, wire center distribution frames, central office switching equipment, computers (both hardware and software), business machines, etc., utilized to provide (1) the services offered under this Tariff or (2) the services provided by a customer for his own use.

FIVE (5) YEAR FORECAST

The term "Five (5) Year Forecast" denotes a projection of the maximum number of cable pairs the customer will require over a five year period that is mutually agreed upon by the customer and the Company. This is normally the Initial Liability Period.

INITIAL LIABILITY PERIOD

The term "Initial Liability Period" (ILP) denotes a written agreement with the Company and the customer on the quantity of cable pairs to be provided and the length of time in which the customer expects to place the cable pairs in service.

MAXIMUM TERMINATION LIABILITY (MTL) CHARGE

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS (T)

A5.1 General (Cont'd)

A5.1.2 Explanation of Terms (Cont'd)

The term "Maximum Termination Liability Charge" denotes the maximum amount of money for which the customer is liable in the event all services or facilities ordered in a special construction case are discontinued before a specified period of time.

MTL PERIOD

The term "MTL Period" denotes the length of time the customer is liable for a termination charge in the event the specially constructed facilities are terminated. The MTL period is equal to the average account life of the telephone facilities provided. When the construction involves multiple classes of Plant with differing lives, the MTL Period is equal to the weighted average of the account lives involved in the special construction case.

NET SALVAGE

The term "Net Salvage" denotes the estimated scrap, sale, or trade-in value, less the estimated cost of salvage. Cost of salvage includes the costs of demolishing, tearing down, removing, or otherwise disposing of the material and any other applicable costs. Because the cost of removal may exceed salvage, facilities may have negative net salvage.

NONRECOVERABLE COST

The term "Nonrecoverable Cost" denotes the cost of providing for the specially constructed facilities for which the Company has no foreseeable use should the customer terminate service.

OTHER TELEPHONE COMPANY

The term "Other Telephone Company" denotes a company engaged in the business of furnishing public switched network telephone exchange services and which is not the ***BellSouth Telecommunications, Inc.*** (T)

PERMANENT FACILITIES

The term "Permanent Facilities" denotes facilities that are expected to remain in place for the normal service life of the plant.

RECOVERABLE COST

The term "Recoverable Cost" denotes the cost of providing for the specially constructed facilities for which the Company has a foreseeable reuse, either in place or elsewhere should the customer terminate service.

SPECIAL CONSTRUCTION

The term "Special Construction" denotes a series of tariff regulations that are designed to protect the Company from undue risk associated with specially constructed facilities and allows the Company to recover excessive investments incurred by the construction of facilities that will carry services currently offered on a general basis in a service tariff. These regulations are also designed to prevent undue subsidizations of specially constructed facilities by the general body of ratepayers.

SUBSCRIBERS IN GENERAL

The term "Subscribers in General", as used in this Tariff, is to be interpreted to include those cases where new construction is required to serve two or more customers.

All BellSouth marks contained herein and as set forth in the trademarks and service marks section of the BellSouth Tariffs are owned by BellSouth Intellectual Property Corporation.

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS[1] (N)

A5.1 General (Cont'd)

A5.1.2 Explanation of Terms (Cont'd)

TEMPORARY FACILITIES

The term "Temporary Facilities" denotes facilities used to provide service to a customer where it is known before installation of the newly placed facility that the facilities will be relocated or removed prior to the normal service life of the plant.

TERMINATION CHARGE

The term "Termination Charge" denotes the portion of the Maximum Termination Charge that is applied as a nonrecurring charge when all services are discontinued prior to the expiration of the specified liability period.

UNDERUTILIZATION CHARGE

The term "Underutilization Charge" denotes an obligation, incurred by a customer, which is designed to reimburse the Company for the annual costs of a portion of specially constructed facilities when the customer's actual use of those facilities is less than 70% of the amount of use forecasted or ordered by the customer.

A5.2 Special Construction

A5.2.1 General Regulations

A. Application

1. Special Construction consists of a series of tariff regulations that are designed to protect the Company from undue risk associated with specially constructed facilities and allows the Company to recover excessive investments incurred by the construction of facilities that will carry services currently offered on a general basis in a service tariff. These regulations are also designed to prevent undue subsidization of specially constructed facilities by the general body of rate payers.
2. When special construction of facilities is required, the provisions of this Tariff apply in addition to all regulations, rates and charges set forth in the appropriate service tariff. All applicable provisions set forth in this Tariff will be implemented by a written agreement prepared by the Company and signed by the customer.
3. The regulations, rates and charges applicable for special construction of Company facilities which are used to provide services under this Tariff are as follows.

B. Conditions Requiring Special Construction

1. Special construction is required when suitable facilities are not available to meet a customer's order for service and/or a mutually agreed upon facility forecast and one or more of the following conditions exist:
   - The Company has no other requirement for the facilities constructed at the customer's request;
   - The customer requests that service be furnished using a type of facility, or via a route, other than that which the Company would otherwise utilize in furnishing the requested service;
   - The customer requests the construction of more facilities than required to satisfy his initial order for service; and submits a mutually agreed upon facility forecast;

Note 1: Text is shown as new due to reissue of all Tariff Sections. No changes in rates or regulations were made with this filing.

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS (T)

A5.2 Special Construction (Cont'd)

A5.2.1 General Regulations (Cont'd)

B. Conditions Requiring Special Construction (Cont'd)

1. (Cont'd)

- The customer requests construction be expedited resulting in added cost to the Company;
- The customer requests that temporary facilities be constructed;
- The cost to construct line extension facilities for an individual subscriber when the cost exceeds the estimated five year exchange revenue;
- The term "customer" as used in the preceding context also includes those entities/businesses which, due to the nature of their business operations, may create a requirement to terminate a concentration of network facilities at said entities' operational centers. Such facilities may be individually ordered by and billed to separate customers who are patrons of the entities and typically utilize the facilities to avail themselves of the entities' services. Examples of such entities or businesses include, but are not limited to Telephone Answering Services, Alarm Central Terminal Locations and Specialized Mobile Radio Systems and Radio Common Carriers.
- Service wire (drop wire) that exceeds seventy-five (75) feet and or requires placement through, around, or under encumbrances and placement of transmission enhancers such as load coils, extenders, etc. (N)

C. Ownership of Facilities

1. Unless otherwise specified in this Tariff, the Company retains ownership of all specially constructed facilities even though the customer may be required to pay special construction charges.

D. Interval to Provide Facilities

1. Based on available information and the type of service ordered, the Company will establish an objective date for the installation of necessary facilities. The date will be established on an individual case basis and provided to the customer. The Company will make every reasonable effort to assure that the date is met. However, shortage of components, personnel or other factors may lengthen the installation interval.
2. If the scheduled completion date cannot be met due to circumstances beyond the control of the Company, a new completion date will be established and the customer will be notified. The amount of interest accrued on all prepaid items will be credited to the customer's account for any delays that could have been circumvented by the Company.

E. Special Construction Involving Interstate and Intrastate Facilities

1. When special construction involves facilities used to provide both interstate and intrastate services, charges for the portion of the construction used to provide intrastate service shall be in accordance with this Tariff. Charges for the portion of the construction used to provide interstate service shall be in accordance with BellSouth's F.C.C. No. 1 Interstate Tariff.

F. Charges of Other Companies

1. Charges and/or Maximum Termination Liabilities for special construction of facilities provided by another company are developed by the other company and may be applied by BellSouth under this Tariff on the other company's behalf.

All BellSouth marks contained herein and as set forth in the trademarks and service marks section of the BellSouth Tariffs are owned by BellSouth Intellectual Property Corporation.

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS[1] (N)

A5.2 Special Construction (Cont'd)

A5.2.2 Liabilities, Charges and Payments for Special Construction

A. General

1. The various charges and payments that apply when the Company provides special construction of facilities in accordance with a customer's specific request are described as follows. The customer must provide the Company with written approval of all liabilities and charges prior to the start of construction. If more than one condition requiring special construction is involved, charges for each condition apply.

B. Payment of Charges

1. Payment is due upon presentation of a bill for the specially constructed facilities. To safeguard its interests during construction, the Company will require the customer to make an advance payment for the portion of the estimated cost of the special construction for which the customer is subject to a nonrecurring charge. Partial payments will be requested as costs are incurred and will be credited to the customer's account. No special construction charges paid to the Company are refundable except as provided under Section A5.2.2.D.3.

C. Start/End of Billing

1. When the facilities are provided, billing of recurring charges for specially constructed facilities starts on the contract service date or the inservice date, whichever is earlier. Billing accrues through and includes the day that the specially constructed facilities are discontinued. Monthly charges will normally be billed one month in advance.

D. Development of Liabilities and Charges

1. The customer has the option of having the liabilities and charges billed based on either estimated or actual costs. Costs, as used in this context, may include one or more of the items specified in A5.5.1 following. Estimated costs will be billed unless the customer notifies the Company of the selection of the actual cost option in writing prior to the start of special construction.
2. Under the estimated cost option, special construction liabilities and charges are developed based on estimated costs and will be specified in the written agreement between the customer and the Company.
3. Under the actual cost option, if all actual costs are not available prior to the start of service, estimated special construction charges will be specified in the written agreement between the customer and the Company. As soon as the actual costs, including costs of preparation and processing are subsequently determined, the estimated charges will be adjusted to reflect the actual costs.

E. Types of Contingent Liabilities

1. In Special Construction cases that involve recurring charges as described in A5.2.2.F.2. following, one or both of two categories of contingent liabilities will apply. These liabilities, (1) Maximum Termination Liability (MTL) and (2) Underutilization Liability (UL) are described as follows.
   a. Maximum Termination Liability and Termination Charge, is a liability against the customer for whom facilities were constructed. If the customer prematurely discontinues the use of the facilities, the liability will be converted into a termination charge if it is determined at the time of disconnect that the facilities are not reusable.

Note 1: Text is shown as new due to reissue of all Tariff Sections. No changes in rates or regulations were made with this filing.

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS[1] (N)

A5.2 Special Construction (Cont'd)

A5.2.2 Liabilities, Charges and Payments for Special Construction (Cont'd)

E. Types of Contingent Liabilities (Cont'd)

1. (Cont'd)

a. (Cont'd)

(1) A Maximum Termination Liability is equal to the nonrecoverable costs associated with specially constructed facilities and is the maximum amount which could be applied as a Termination Charge if all specially constructed facilities were discontinued before Maximum Termination Liability expires.

(2) The liability period is equal to the average life of the account associated with the specially constructed facilities. The liability period is generally expressed in terms of an effective and expiration date.

(3) A Termination Charge is applicable when all services using specially constructed facilities which have a written and signed agreement for a Maximum Termination Liability are discontinued prior to the expiration of the liability period. The charge reflects the unamortized portion of the nonrecoverable costs at the time of termination, adjusted for net salvage and possible reuse. Administrative costs associated with the specific case of special construction and any cost for restoring a location to its original condition are also included. A Termination Charge may never exceed the Maximum Termination Liability agreed to and signed by the customer in the initial contract.

(4) The Maximum Termination Liability in the signed agreement is in decreasing amounts at ten-year intervals over the average account life of the facilities. In the event that the average account life of the facilities is not an even multiple of ten, the last increment will reflect the appropriate number of years remaining.

Example Illustrating A 27-year Average Account Life:

Maximum Termination Liability	Effective Date	Expiration Date
$10,000	6/1/84	6/1/94
7,000	6/1/94	6/1/04
3,000	6/1/04	6/1/11

(5) Prior to the expiration of each liability period, the customer has the option to (A) terminate the special construction case and pay the appropriate charges, or (B) extend the use of the specially constructed facilities for the new liability period.

(6) The Company will notify the customer six months in advance of the expiration date of each ten-year liability period. The customer must provide the Company with written notification at least 30 days prior to the expiration of the liability period if termination is elected. Failure to do so will result in an automatic extension of the special construction case to the next liability period at the Maximum Termination Liability amount.

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A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS[1] (N)

A5.2 Special Construction (Cont'd)

A5.2.2 Liabilities, Charges and Payments for Special Construction (Cont'd)

E. Types of Contingent Liabilities (Cont'd)

1. (Cont'd)

a. (Cont'd)

(7) A partial termination of specially constructed facilities will be provided, at the election of the customer. The amount of the Termination Charge associated with such partial termination is determined by multiplying the termination charge which would result if all services using the specially constructed facilities were discontinued, at the time partial termination is elected, by the percentage of specially constructed facilities to be partially terminated. A new written agreement will be made following a partial termination to list remaining Maximum Termination Liability amounts and the number of specially constructed facilities the customer will remain liable for.

Example:

A customer with a Maximum Termination Liability contract of $100,000 for 3600 specially constructed facilities requests a partial termination of 900 facilities. The Termination Charge for all facilities, at the time of election, is $60,000. The partial termination charge, in this example, is $60,000 x 900/3600, or $15,000.

b. Annual Underutilization Liability and Underutilization Charge as specified in Section A5.2.2.F.2.b. denotes a per unit amount that will be billed annually if less than 70% of the specially constructed facilities are being utilized.

(1) Prior to the start of special construction, the Company and the customer will agree on (1) the quantity of facilities to be provided, and (2) the length of the planning period during which the customer expects to place the facilities in service. The planning period is hereinafter referred to as the Initial Liability Period (ILP). The ILP is listed in the written agreement with an effective and expiration date.

(2) Underutilization occurs only if, at the expiration date of the ILP and annually thereafter, less than 70 percent of the specially constructed facilities are in service per the written agreement at tariff service rates.

(3) An annual underutilization liability amount is calculated on a per unit basis (e.g., per cable pair) for each case of special construction. This amount is equal to the annual per unit cost and includes depreciation, maintenance, administration, return, taxes and any other costs identified in the supporting documentation provided at the time the special construction agreement is signed.

(4) Upon the expiration of the ILP, the number of underutilized facilities, if any, is multiplied by the annual underutilization liability amount. This product is then multiplied by the number of years (including any fraction thereof) in the ILP to determine the underutilization charge.

(5) Annually thereafter, the number of underutilized facilities, if any, existing on the anniversary of the ILP expiration date will be multiplied by the annual underutilization liability amount to determine the underutilization charge for the preceding 12 month period.

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A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS[1] (N)

A5.2 Special Construction (Cont'd)

A5.2.2 Liabilities, Charges and Payments for Special Construction (Cont'd)

E. Types of Contingent Liabilities (Cont'd)

1. (Cont'd)

b. (Cont'd)

(5) (Cont'd)

Example:

A customer orders 100 services and the special construction of a 600 pair building riser cable is agreed to, based on the customer's 5 year facility requirements. The ILP, in this example, would be 5 years. The annual underutilization liability is stated in the written agreement at $2.00 per pair. If 400 pairs were in service at the end of the ILP, there would be an underutilization of 20 pairs, i.e., 420 (70% of 600) - 400 = 20. The total underutilization charge for the first 5 years would be $200.00, or $2.00 per pair x 20 pairs x 5 years.

If 420 pairs are in service at the end of the 6th year, there is no underutilization, i.e., 420 - 420 = 0.

F. Types of Charges

Nonrecurring and/or Recurring Charges will be applicable for special construction. These categories are described as follows.

1. Nonrecurring Charges

One or more of the following nonrecurring charges will apply for each case of special construction or inquiry for special construction:

- quotation preparation
- case preparation
- termination
- cancellation
- rearrangements and/or removals
- expediting the construction
- optional payment plan
- supporting structures on private property/pole attachment fees
- special routing of service entrance facilities
- temporary facilities

a. Quotation Preparation Charge - Applicable prior to placing an order for service requiring special construction.

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A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS[1] (N)

A5.2 Special Construction (Cont'd)

A5.2.2 Liabilities, Charges and Payments for Special Construction (Cont'd)

F. Types of Charges (Cont'd)

1. Nonrecurring Charges (Cont'd)

a. Quotation Preparation Charge - Applicable prior to placing an order for service requiring special construction. (Cont'd)

(1) A Nonrecurring Charge for the preparation of a quotation applies whenever a customer requests a detailed estimate of charges for special construction. The charge includes the costs associated with the development and preparation of the quotation and any applicable receipts and other taxes. The customer will be advised of the charge for quotation preparation and must agree to pay the charge before development of the quotation will commence.

(2) Application of Charge

If, after being advised of the charge, the customer requests the quotation, it will be developed and furnished. A bill for the quotation preparation will be rendered. The quotation is valid for 90 days and will identify all costs associated with the provision of the facilities needed to satisfy the customer's service requirements. The quotation will be considered to be accurate within +/-10 percent of the cost quoted. Any unforeseen extraordinary costs which might cause a deviation greater than +10 percent will require additional approval of the customer. The Quotation Preparation Charge is applicable regardless of whether service is ordered by the Customer/Company.

(3) If the customer cancels the request for a quotation prior to its completion, the customer will be billed the lesser of the amount for:

- the quotation preparation charge, which the customer was advised would apply, or

- the costs incurred, for quotation preparation plus any appropriate taxes through the cancellation date.

(4) Title or Ownership Rights

The payment of a charge for quotation preparation does not assign, confer, or transfer title or ownership rights to proposals or equipment, designed or furnished by the Company. Title and ownership rights for any item developed at the customer's request remains with the Company except as specifically provided by an agreement between all parties.

b. Case Preparation Charge - Applicable after the customer receives the quote and places an order for service requiring special construction.

The charge for case preparation includes the administrative expense associated with preparing the proposal.

This expense includes such items as:

- preparation and processing

- gross receipts and other taxes

c. Termination Charge

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A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS (T)

A5.2 Special Construction (Cont'd)

A5.2.2 Liabilities, Charges and Payments for Special Construction (Cont'd)

F. Types of Charges (Cont'd)

1. Nonrecurring Charges (Cont'd)

c. Termination Charge (Cont'd)

A termination charge applies when, at the customer's request, services (unless otherwise specified in the written agreement) provided on specially constructed facilities which have specified Maximum Termination Periods, are discontinued prior to the expiration of the liability period.

The charge reflects the unamortized portion of the nonrecoverable cost at the time of termination of the specially constructed facilities, adjusted for tax effects, net salvage and possible reuse. Administrative costs associated with the specific case of special construction and any cost for restoring a location to its original condition are also included. Termination charges will never exceed the Maximum Termination Charge.

d. Cancellation Charge

If the customer cancels the order prior to the start of service, a cancellation charge will apply. The charge will include all nonrecoverable costs incurred by the Company up to and including the time of cancellation.

e. Rearrangement and/or Removal Charges

When the Company is requested to move, change, rearrange or remove existing plant, for which no specific charge is quoted in this Tariff, the person/company at whose request such move or change is made will be required to bear the costs incurred.

(DELETED) (D)

f. Expediting Charge

An expediting charge applies when a customer requests that construction be completed on an expedited basis and the Company incurs additional cost. The charge is equal to the difference in the estimated cost of construction on an expedited basis and construction without expediting.

g. Optional Payment Plan

All customers will be informed of and may elect to pay an optional nonrecurring charge when requesting special construction of facilities utilizing (1) a type of facility other than normal, (2) a route other than that which the Company would otherwise utilize in furnishing the requested service, or (3) a service that involves extraordinary conditions or circumstances. Payment of this charge will result in a lower recurring charge for the special construction. This election must be made in writing, before special construction starts.

All BellSouth marks contained herein and as set forth in the trademarks and service marks section of the BellSouth Tariffs are owned by BellSouth Intellectual Property Corporation.

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS[1] (N)

A5.2 Special Construction (Cont'd)

A5.2.2 Liabilities, Charges and Payments for Special Construction (Cont'd)

F. Types of Charges (Cont'd)

1. Nonrecurring Charges (Cont'd)

g. Optional Payment Plan (Cont'd)

If this election is coupled with the actual cost option, the optional payment charge will reflect the actual cost of the specially constructed facilities.

If any portion of the specially constructed facilities, for which an optional payment charge has been paid, requires replacement, other than that caused by the Company, a charge for replacement will apply. This charge will be at the same ratio as the initial optional payment charge was to the installed cost of the specially constructed facilities. The customer will be notified in writing that the replacement is required. Replacement will not be made without the customer's order. If any portion of the facilities subject to the replacement charge fails, service will not be restored until the customer orders the replacement.

h. Supporting Structures on Private Property

These charges (when applicable as specified in Section A5.2.5) include the costs of planning and building supporting structure on private property. Supporting structure includes poles, conduit, trenching, backfilling and associated costs. Ownership and maintenance of supporting structure on private property is vested in the customer or property owner.

In cases where the customer or property owner is unable to provide the structure, the Company at its discretion will perform the work and bill the customer or property owner. Ownership and maintenance of supporting structure on private property is vested in the customer or property owner.

i. Service Entrance Facilities

Entrance facilities include all cable and wire required to reach the normal network interface. When, at the request of the property owner or customer, a special route, network location, network arrangement or duplicate facility is required, a nonrecurring charge will apply equal to the additional cost above that which would have normally been incurred if the special route, location or arrangement was not required. These costs can be billed on an actual or estimated basis in accordance with Section A5.2.2.D.

j. Temporary Facilities

Special Construction is considered to be "temporary" when one of the following conditions exists:

- The facilities are constructed to provide service to a customer for less than the minimum service period or less than one month, whichever is longer.
- The facilities are constructed and it is known in advance that the newly placed plant will be relocated or removed prior to the end of the normal service life of the plant.

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A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS[1] (N)

A5.2 Special Construction (Cont'd)

A5.2.2 Liabilities, Charges and Payments for Special Construction (Cont'd)

F. Types of Charges (Cont'd)

1. Nonrecurring Charges (Cont'd)

   j. Temporary Facilities (Cont'd)

   If a customer desires to change the service requested from temporary to permanent, such a change will be permitted if the request is made before any initial payment for the temporary service is received by the Company. The customer is liable for any nonrecurring charges for the construction of temporary facilities that cannot be reused or transferred to the permanent facilities. If the permanent facilities can not be reused then a contract for underutilization and maximum termination charge will apply for the permanent facilities in addition to Quotation and/or Case Preparation Charges, and any recurring charges associated with the special construction.

   The nonrecurring charge for temporary facilities includes all nonrecoverable costs associated with the placement and removal of such facilities.

2. Recurring Charges

   a. Recurring Charges will always apply for the following conditions:

      (1) When a customer uses fewer facilities (i.e., cable pairs) than originally forecasted (Underutilization Charge).

      (2) When a customer orders more facilities (i.e., cable pairs) than required to satisfy the demand projected in the Initial Liability Period (Excess Capacity Charge).

      (3) When a customer requests a facility route or type other than that which the Company would utilize to provide a service (Charges for route or type other than normal).

      (4) When a customer's request results in the Company's leasing transmission or other equipment from private vendors to provide service (Lease Charge).

      (5) When a customer requests service that involves extraordinary conditions (Excess Costs).

   b. Underutilization Charge

   An underutilization charge will apply at the end of the Initial Liability Period if less than 70% of the cable pairs placed is being utilized. The charges are calculated as outlined in A5.2.2.E.1.b.

   c. Excess Capacity Charge

   An excess capacity charge applies when the customer requests more cable pairs be placed than are required to satisfy the demand projected in the Initial Liability Period. The charge is based on the estimated cost per cable pair times the excess number of cable pairs requested. The charge applies monthly beginning with the contract service date until the customer orders service to be activated on 70% of the cable pairs placed. The Excess Capacity Charge will not apply to cable pairs identified in the Forecasted amount.

   d. Charge for Route or Type Other Than Normal

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A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS[1] (N)

A5.2 Special Construction (Cont'd)

A5.2.2 Liabilities, Charges and Payments for Special Construction (Cont'd)

F. Types of Charges (Cont'd)

2. Recurring Charges (Cont'd)

d. Charge for Route or Type Other Than Normal (Cont'd)

When the customer requests special construction using a route or type of facilities other than that which the Company would normally use, a monthly recurring charge is applicable. The charge is the difference between the estimated recurring costs of the specially constructed facilities and the estimated recurring costs of the facilities the Company would normally use. The charge will be no greater than the recurring costs of the specially constructed facilities.

If the customer has elected the actual cost option, the Recurring Charge will be adjusted to reflect the actual cost of the new construction when the cost is determined. This adjusted Recurring Charge is applicable from the start of service.

e. Lease Charge

A monthly and/or nonrecurring lease charge applies when the Company leases equipment (e.g., portable microwave equipment) in order to provide service to meet the customer's requirements. The amount of the charge is the total added cost to the Company caused by the lease.

f. Excess Costs

When a customer requests service that involves extraordinary conditions or circumstances and the anticipated 5 year revenue to be derived is not sufficient to support the costs associated with the service provision, then a monthly recurring charge is applicable as specified in A5.4. The customer may also elect an optional payment charge as outlined in F.1.g. preceding with this condition.

A5.2.3 Deferral Of The Start Of Service

A. General

The customer may request the Company to defer the start of service on specially constructed facilities for a cumulative period of no more than eighteen months. If the deferral exceeds eighteen months, the special construction case is considered to be cancelled and cancellation charges apply. Requests for deferral must be in writing and are subject to the following regulations:

B. Construction Has Not Started

If the Company has not incurred any costs (e.g., engineering and/or installation) before receiving the customer's request for deferral, no charge applies other than the Quotation Preparation Charge and/or Case Preparation Charge. However, the original quotation is subject to Company review at the time of reinstatement to determine if the original charges are still valid. Any change in charges requires the concurrence of the customer in writing. Additional Quotation Preparation and Case Preparation Charges will also apply.

C. Construction Has Started But Is Not Complete

Note 1: Text is shown as new due to reissue of all Tariff Sections. No changes in rates or regulations were made with this filing.

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS[1] (N)

A5.2 Special Construction (Cont'd)

A5.2.3 Deferral Of The Start Of Service (Cont'd)

C. Construction Has Started But Is Not Complete (Cont'd)

If the construction of facilities has started, but has not been completed, before the Company receives the customer request for deferral, charges will apply. The charges vary depending on whether all or some of the services ordered are deferred.

1. All Services Are Deferred

   When all services involving special contruction are deferred, a charge equal to the costs incurred during each month of the deferral applies. Those costs include the recurring costs for that portion of the facilities already completed and any other costs associated with the deferral. The Quotation Preparation Charge and Case Preparation Charge also apply.

2. Some But Not All Services Are Deferred

   When some, but not all, services utilizing the specially constructed facilities are deferred, the special construction case will be completed. Underutilization and Maximum Termination Charges will apply in addition to Quotation and Case Preparation Charges, and any recurring charges associated with the special construction.

D. Construction Complete

If the construction of facilities has been completed before the Company receives the customer's request for deferral, the Quotation Preparation Charge, Case Preparation Charge, Underutilization and Maximum Termination Charge, as originally determined, and any recurring charges associated with the special construction will apply.

A5.2.4 Construction On Public Highways or Public Rights-of-Way

A. No special construction is applicable for the reasonable provision of new network distribution facilities where the facilities are used for subscribers in general. However, if the provision of such facilities is determined to be unreasonable, then special construction will apply. The Florida Public Service Commission ultimately determines if special construction is applicable. If the subscribers request the Company begin construction prior to the Florida Public Service Commission's determination, then special construction charges will apply subject to refund.

B. Where facilities are used to serve an individual subscriber, the subscriber may be required to pay recurring and/or nonrecurring construction charges.

C. The charge in either event will be the amount by which construction cost exceeds the amount of five times the annual exchange revenue.

D. Ownership and maintenance of such facilities is vested in the Company.

Note 1: Text is shown as new due to reissue of all Tariff Sections. No changes in rates or regulations were made with this filing.

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS[1] (N)

A5.2 Special Construction (Cont'd)

A5.2.5 Construction on Private Property Across Which Rights-of-Way and Easements Satisfactory to the Company are Provided Without Cost to the Company

A. No special construction is applicable for the reasonable provision of new network distribution facilities where the facilities are used for subscribers in general. However, if the provision of such facilities is determined to be unreasonable, then special construction will apply. The Florida Public Service Commission ultimately determines if special construction is applicable. If the subscribers request the Company begin construction prior to the Florida Public Service Commission's determination, then special construction charges will apply subject to refund.

When facilities are used to serve an individual subscriber, the subscriber will be required to pay recurring and/or non-recurring construction charges under the following conditions:

1. When five times the annual exchange revenue derived from the services utilizing the facilities is not expected to exceed the cost to construct the facilities.
2. The charge shall be the amount by which the construction cost exceeds the amount of five times the annual exchange revenue.

Ownership and maintenance of such circuits on private property is vested in the Company.

B. Supporting structures on private property beyond a mutually agreeable terminating point is the responsibility of the customer.

C. Requests for moves and rearrangements of poles, cables, and distribution terminals will be accommodated on the basis of cost.

D. Service Charges as specified in Section A4 of this Tariff will apply to moves or rearrangements of drop wire (aerial or buried). Moves and rearrangements exceeding these limitations will be accommodated on the basis of cost.

E. The regulations for extending service onto residential and commercial properties are detailed following. Where a building or property is mixed residential/commercial the rules for commercial property will apply.

1. Residential Properties

   In areas where buried service is normally furnished by the Company, the Company will open and close necessary trenches providing that suitable easements and rights-of-way may be obtained at no cost to the Company; or, the subscriber or property owner may open and close the trench to the specifications of the Company.

   In areas where aerial service is normally furnished by the Company, the Company will provide all poles necessary for the provision of basic exchange service, subject to A. preceding, or the subscriber or property owner may provide poles to the specifications of the Company.

   In lieu of buried service, in areas where buried service is normally furnished by the Company, the subscriber or property owner may provide a conduit, equipped with pullwire, to a service point designated by the Company.

   In cases where the subscriber or property owner requests service in other than the normal manner (e.g., buried in an aerial service area), excess costs to provide service will be billed to the person requesting service.

2. Commercial Properties

Note 1: Text is shown as new due to reissue of all Tariff Sections. No changes in rates or regulations were made with this filing.

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS[1] (N)

A5.2 Special Construction (Cont'd)

A5.2.5 Construction on Private Property Across Which Rights-of-Way and Easements Satisfactory to the Company are Provided Without Cost to the Company (Cont'd)

E. The regulations for extending service onto residential and commercial properties are detailed following. Where a building or property is mixed residential/commercial the rules for commercial property will apply. (Cont'd)

2. Commercial Properties (Cont'd)

Property owners and/or subscribers are responsible for the provision of an underground conduit system from a service point designated by the Company to a mutually agreeable termination point inside commercial buildings. The entrance conduit system will include the necessary handholes, pullboxes, pullwires, manholes and other associated structure to enable the Company to install the cable or wire.

Where the terrain or other conditions are such that, in the judgement of the Company, a conduit system will not serve as a feasible entrance method, the property owner or subscriber may open and close a trench to the specifications of the Company; or, at the subscriber's request and Company's discretion, the Company will perform the trenching work and apply appropriate special construction charges.

In areas served by aerial cable, the Company will provide all necessary poles, subject to A. preceding.

A5.3 Additional Engineering, Additional Labor and Miscellaneous Charges

A5.3.1 Additional Engineering

A. Definition and Application

1. Additional engineering is that engineering or engineering consultation requested by the customer as described in a. through c. following. The Company will notify the customer in writing that additional engineering charges as specified in B. following, will apply before any additional engineering is undertaken.

a. Engineering Consultation

Engineering consultation is the securing of technical advice from the Company by the customer not in connection with a specific order, and situations in which the customer requests the Company to provide information or to perform a function which will entail additional engineering by the Company. This does not include inquiries of a short duration where no significant engineering time is required or inquiries associated with customer service forecasts.

b. Expedited Engineering

Expedited engineering is that time required to meet a customer request for a less than normal engineering design interval.

c. Engineering of Connections with Other Telephone Companies

Engineering of connections with other telephone companies, if not Concurring Carriers, is the engineering activity of contacting, coordinating and designing with another telephone company, portions of facilities which connect to facilities provided by another telephone company.

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A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS[1] (N)

A5.3 Additional Engineering, Additional Labor and Miscellaneous Charges (Cont'd)

A5.3.1 Additional Engineering (Cont'd)

B. Charges for Additional Engineering

1. Engineering Consultation, Expedited Engineering and Engineering of Connections with other telephone companies (if not Concurring Carriers)

		First Half Hour Or Fraction Thereof	Each Additional Half Hour Or Fraction Thereof	USOC
(a)	Basic rate	$66.00	$39.79	AEH
(b)	Overtime rate, outside of normal business hours	73.41	47.20	AEH

A5.3.2 Additional Labor

A. Definition

1. Additional labor is that requested by the customer on a given service as described in a. through f. following. The Company will notify the customer in writing that additional labor charges as specified in B. following, will apply before any additional labor is undertaken.

   a. Overtime Installation

      Overtime installation is that Company installation effort outside of regularly scheduled working hours.

   b. Overtime Repair

      Overtime repair is that Company maintenance effort performed outside of regularly scheduled working hours.

   c. Additional Installation Testing

      Additional installation testing is that testing performed by the Company at the time of installation which is in addition to pre-service acceptance testing. Pre-service testing includes testing for dialing, answering and talking capabilities.

   d. Stand By

      Stand by includes all time in excess of one-half (1/2) hour during which Company personnel stand by to make coordinated tests on a given service.

   e. Testing and Maintenance with Other Telephone Companies

      Additional testing, maintenance or repair of facilities which connect to facilities of other telephone companies (if not Concurring Carriers) which is in addition to effort required to test, maintain or repair facilities provided solely by the Company.

   f. Other Labor

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A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS[1] (N)

A5.3 Additional Engineering, Additional Labor and Miscellaneous Charges (Cont'd)

A5.3.2 Additional Labor (Cont'd)

A. Definition (Cont'd)

1. (Cont'd)

f. Other Labor (Cont'd)

As agreed by the Company and the customer, additional labor not included in a. through e. preceding may be undertaken.

B. Charges for Additional Labor

1. Overtime Installation or Repair

a. Provided at the same Rates and Charges as the Time and Material Charge Plan found in Section A4 of this Tariff.

2. Additional Installation Testing, Stand By, Testing and Maintenance with other telephone companies (if not Concurring Carriers) or Other Labor

a. Provided at the same Rates and Charges as the Time and Material Charge Plan found in Section A4 of this Tariff.

A5.3.3 Miscellaneous Charges

A. Trouble Location Charge

1. For Trouble Location Charge see section A15.4.1.

B. (OBSOLETED. See Section A105.)

A5.4 Charges for Unusual Installations

A5.4.1 Special Types of Installation

When a special type of installation is desired by a subscriber or where the individual requirements of a particular situation make the installation unusually expensive, the subscriber is required to bear the excess cost of such installation. Recurring monthly charges will be calculated on the actual cost of provisioning, normal maintenance, taxes, and in addition, any special maintenance expense that may from time to time occur will be borne by the subscriber except that maintenance of buried service wire, including trench where required, will be at the expense of the Company.

A subscriber may also be required to pay the amount of additional costs incurred by the Company resulting from the subscriber's special requests. Such special requests may include, but are not limited to, expedited shipping.

A5.4.2 Reserved for Future Use

Note 1: Text is shown as new due to reissue of all Tariff Sections. No changes in rates or regulations were made with this filing.

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS[1] (N)

A5.5 Special Service Arrangements

A5.5.1 General Regulations

A. Special service arrangements[2] (Special Assemblies) may be provided by the Company, at the request of a customer on an individual case basis if such service or arrangements meet the following criteria:

1. The requested service or arrangements are not offered under other sections of this Tariff.
2. The facilities utilized to provide the requested service or arrangements are of a type normally used by the Company in furnishing its other services.
3. The requested service or arrangements are compatible with other Company services, facilities, equipment and its engineering and maintenance practices.
4. This offering is subject to the availability of the necessary Company personnel and capital resources.

B. Rates, Charges, and additional regulations if applicable, for special service arrangements are developed on an individual case basis, and will include all costs, plus an appropriate level of contribution, associated with the provision of the service.

C. Costs for the specialized service or arrangements will include one or more of the following items:

1. Labor, engineering and materials
2. Supervision
3. Operating expenses, e.g., maintenance, administration, etc.
4. Return on investment
5. Taxes
6. Depreciation
7. Charges associated with construction provided by another Company
8. Charges for securing private rights-of-way
9. Charges for securing use of poles and pole line attachments on other company poles
10. Equipment or space rental
11. Expenses made necessary by damages caused by the customer or his agents
12. Any other identifiable associated cost
13. Cost for rearrangements and changes
14. Supporting structures

A5.5.2 Reserved for Future Use

Note 1: Text is shown as new due to reissue of all Tariff Sections. No changes in rates or regulations were made with this filing.

Note 2: In order to meet Open Network Architecture (ONA) requirements, the Company, upon customer request, will produce a special arrangement for Performance and Fault Management Service based upon criteria in A5.5.1.

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS

A5.6 Bulk Facility Terminations for Secretarial Service Facilities

Secretarial service firms generally have sufficient activity (e.g., installations of secretarial service lines terminated in telephone answering bureau switchboards) to warrant the provision of a bulk facility termination which will enable the Company to more readily meet the customer's service needs. For this reason, where in the Company's judgment such termination of a bulk facility is required, on and after March 25, 1974 cable facilities will be provided as fixed terminations on secretarial line jacks of telephone answering bureau switchboards at charges based on costs at the time this work is done. These charges will be applicable to the secretarial service firm and will be in addition to all other appropriate tariff rates and charges for work done and services provided.

A5.7 Contract Service Arrangements

A5.7.1 General

A. Contract service arrangements may be offered to meet offerings by any competitive provider of the same, or functionally equivalent, non-basic services in a specific geographic market or to a specific customer.

B. Rates, Charges, Terms and additional regulations, if applicable, for the contract service arrangements will be developed on an individual case basis, and will include all relevant costs, plus an appropriate level of contribution. ***For customers with service locations in multiple rate groups within the State, the Contract Service Arrangement may include a composite statewide rate based on a weighted average of the applicable business line rates for the rate groups in which the lines are located.*** (C)

C. Costs for the contract service arrangements will include one or more of the following items:

1. Labor, engineering and materials
2. Operating expenses, e.g., maintenance, administration, etc.
3. Return on investment
4. Taxes
5. Depreciation
6. Any other identifiable associated cost

D. Unless otherwise specified, the regulations for contract service arrangements are in addition to the applicable regulations and rates specified in other sections of this Tariff.

E. Contract Service Arrangements may be offered on any non-basic service in this Tariff that satisfies the requirements specified in this section of the Tariff. Contract Service Arrangements may be offered for a basic service only if the basic service is offered as part of a package with non-basic services.

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A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS

A5.7 Contract Service Arrangements (Cont'd)

A5.7.1 General (Cont'd)

F. The subscriber and the Company may elect to enter into an agreement where certain rates and/or charges for contract service arrangements are applicable for a fixed period of time. The Company will continue to offer such contract service arrangements without change in the applicable rates and/or charges unless mutual consent has been reached between the Company and the subscriber to undertake such changes. The Florida Public Service Commission will not adjust contract service arrangement rates and/or charges during this period. At the completion of this period, the agreement may be renewed at the option of the Company and the subscriber. Revised rates and/or charges may apply to any renewed agreement. (T)

A5.8 Emergency Service Continuity Plan (N)

A5.8.1 General (N)

The Company will provide Emergency Service Continuity as described in this Section subject to the rates, terms and conditions stated. Service is provided subject to a determination by the Commission, either upon petition by the Company or upon the Commission's own motion, that an Alternative Local Exchange Company (ALEC) has effectively abandoned its end users or that some other sufficient emergency exists to justify use of this tariff. (N)

A5.8.2 Explanation of Terms (N)

ABANDONMENT DATE (N)

The date determined by the Commission that an ALEC abandoned its end users, or the date that some other sufficient emergency exists to justify use of this tariff. (N)

ABANDONED END USER (N)

The former subscriber of an ALEC that receives service under A5.8 of this Tariff. (N)

ALEC (N)

Alternative Local Exchange Company. (N)

EMERGENCY SERVICE CONTINUITY (N)

The service provided pursuant to this tariff. (N)

NEW SERVICE PROVIDER (N)

The service provider affirmatively chosen by an Abandoned End User. A New Service Provider can be either an ALEC or the Company. (N)

UNE-P (N)

The unbundled network element-platform service provided by the Company to an ALEC under an interconnection agreement. (N)

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS

A5.8 Emergency Service Continuity Plan (Cont'd) (N)

A5.8.3 Application (N)

A. From the abandonment date until an Abandoned End User is transitioned to a New Service Provider, or until denial or disconnection of service as provided in A5.8.4 following, the Company will provide each Abandoned End User with the telecommunications service existing at the end user premises at the time of the Company's assumption of responsibility under this Tariff. Abandoned End Users will not be able to modify the telecommunications service until electing a New Service Provider. (N)

B. The Company will provide maintenance and repair services while providing Emergency Service Continuity. (N)

A5.8.4 Notice (N)

A. Promptly after receipt of the Commission determination of abandonment or other emergency, the Company will provide notice to each Abandoned End User through the Company's service facilities and/or public media. The notice will inform each Abandoned End User that: (N)

1. Each Abandoned End User may continue to receive telecommunications service through the Emergency Service Continuity Plan for a minimum period of fourteen (14) days from the date initial notice is given while each Abandoned End User decides upon and transitions to a New Service Provider. (N)

2. After notice has been given to the Abandoned End User and the time period in 1. preceding has transpired, service will be denied unless the Abandoned End User has transitioned to a New Service Provider, or the Abandoned End User has placed an order to transition to a New Service Provider and the order is being processed. When service is denied, the Abandoned End User will be able to call 911 Service, but will be unable to make or receive other calls; (N)

3. After the time period in 1. preceding has passed and a minimum of fourteen (14) additional days have transpired, service will be disconnected unless the Abandoned End User has transitioned to a New Service Provider, or the Abandoned End User has placed an order to transition to a New Service Provider and the order is being processed. (N)

B. Use of Company facilities may be discontinued without notice at any time after an Abandoned End User has transitioned to a New Service Provider that does not require use of Company facilities. (N)

C. The Company will provide notice on at least one (1) occasion during the period prescribed in A. preceding. (N)

A5.8.5 Conditions (N)

A. Emergency Service Continuity will be provided only where the Company has been the underlying facilities provider through a resale or a UNE-P arrangement with an ALEC. Service Continuity will be provided through other service arrangements (i.e., UNE Loop) upon mutual agreement with the Commission and the ALEC. (N)

B. The Company must have permission, either directly or through Commission order, to use the customer service record information of an Abandoned End User. (N)

C. The Company must have a waiver of the Commission requirements for third-party verification of a change in service provider. (N)

D. The Company must have permission, either directly or through Commission order, not to honor a "preferred carrier freeze" on the Abandoned End User's existing service.

E. The Company may request permission for an emergency declaration and waiver of the retail Service Rules (F.A.C.), the retail Service Guarantee Plan (Order No. PSC-01-1643-AS-TL), and/or the wholesale Performance Assessment Plan. (N)

F. The Company shall not be liable for damages or injury to other local exchange or interexchange carriers arising out of the provision of Emergency Service Continuity pursuant to this Tariff. (N)

G. The Company's liability to Abandoned End Users will be governed by the provisions of A2.5 of this Tariff. (N)

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS

A5.8 Emergency Service Continuity Plan (Cont'd)

A5.8.6 Rates

A. For each Abandoned End User that selects a New Service Provider other than the Company, the Company will charge the New Service Provider a rate equivalent to the appropriate 2-wire loop, port and feature rates in that provider's interconnection agreement for the period from the abandonment date through the last date the Company provides Emergency Service Continuity. If no interconnection agreement for such rate exists, the Company will charge the rates approved by the Commission for the appropriate 2-wire loop, port and feature rates. Thereafter, the applicable rates, terms and conditions of the interconnection agreement for services ordered by the New Service Provider shall be charged, collected and observed.

B. For each Abandoned End User that selects the Company as its New Service Provider, the Company may charge the rates applicable to the services provided to the end user by the Company consistent with the Company's General Subscriber Service Tariff from the abandonment date.

A5.9 Conversion of Overhead Telecommunications Facilities to Underground (N)

A5.9.1 Explanation of Terms (N)

A. For purposes of this Part A5.9, the following definitions shall apply: (N)

1. Applicant – Any person or entity, including any association, municipality, county or other local government, that requests the conversion of overhead Company facilities to underground. (N)
2. Conversion – Installation of underground facilities where underground facilities will be substituted for existing overhead facilities. (N)
3. Cost Estimate – A cost estimate for conversion work prepared by the Company following receipt of the applicable cost estimate preparation charge. (N)
4. Cost Estimate Preparation Charge – The charge an applicant pays to the Company to secure a cost estimate for conversion. (N)
5. Overhead Facilities – Company aerial cable and Company poles. (N)
6. Underground Facilities – Direct buried facilities or facilities in underground conduit. (N)

A5.9.2 General Regulations (N)

A. The special construction tariff provisions set forth in Part A5.2 of this tariff shall not apply to requests for conversion of overhead facilities or to any work for or related to conversion. The provisions set forth in this Part A5.9 shall apply to requests for conversion of overhead facilities. (N)

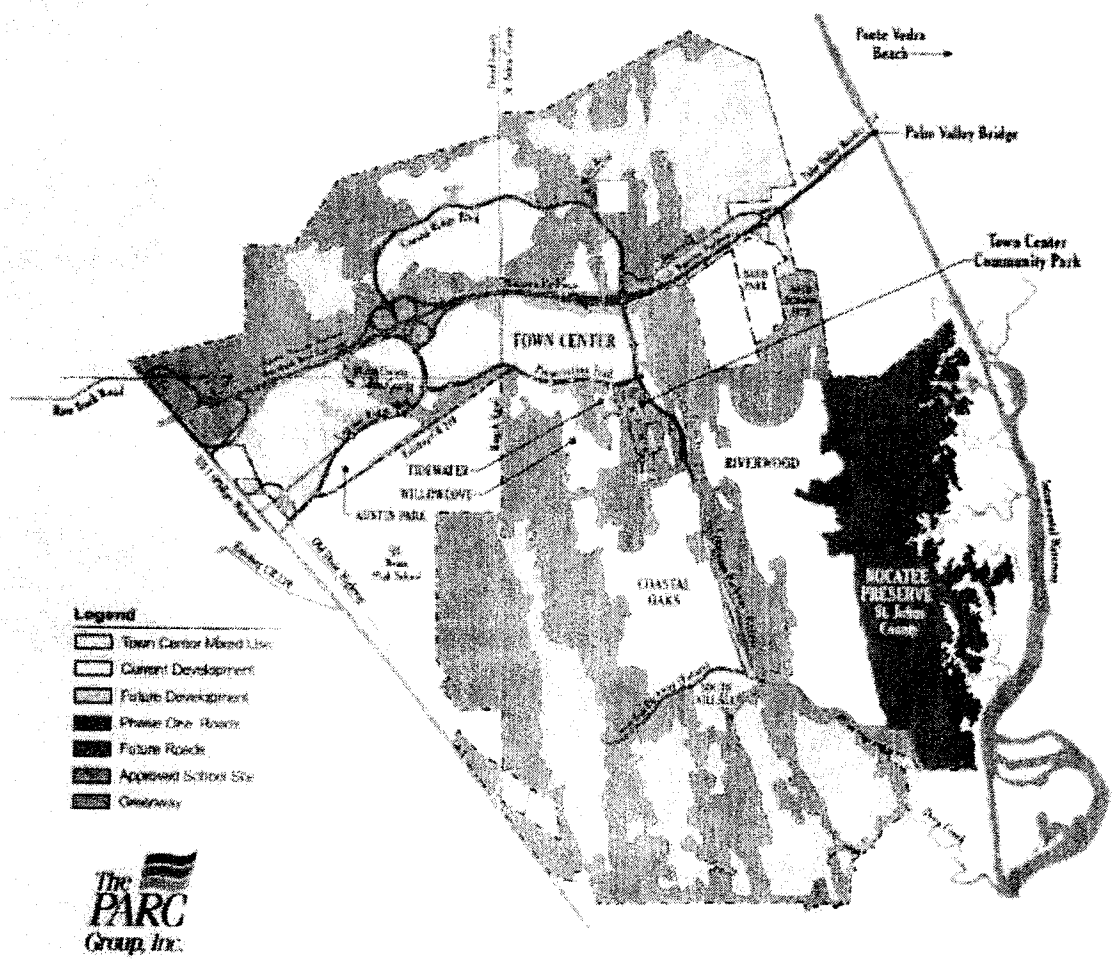
B. An applicant shall request conversion in writing and specify in detail the overhead facilities that are the subject of the requested conversion. Upon receipt of a written request, the Company will determine the feasibility of converting the overhead facilities. If the written request requires revision to determine the feasibility of conversion, the Company will so notify the applicant. If the Company determines that the requested conversion is feasible, then the Company will so notify the applicant. If the applicant wishes to secure a cost estimate for the requested conversion, the applicant will request the cost estimate in writing, and the Company will thereafter notify the applicant of the cost estimate preparation charge that the applicant must pay to the Company in advance to secure a cost estimate. If the conversion is not feasible, the Company will notify the applicant and will have no obligation to proceed with the applicant's request or with the requested conversion. The Company shall have the sole discretion to determine whether the conversion is feasible. (N)

C. If an applicant requests a cost estimate for conversion, a charge for the preparation of a cost estimate will apply. The applicant will pay the cost estimate preparation charge before development of the cost estimate commences. The charge includes the costs associated with the development of the cost estimate. The cost estimate preparation charge is non-refundable and is applicable whether or not the conversion work occurs. If an applicant cancels a request for a cost estimate prior to its completion, the Company will return to the applicant any portion of the previously paid cost estimate preparation charge that is in excess of costs incurred by the Company to prepare the cost estimate. (N)

D. If an applicant wishes to proceed with conversion, the applicant may only do so following receipt of a cost estimate and, in such case, shall notify the Company in writing of its desire to proceed with conversion. Thereafter, the applicant must execute a written agreement prepared by the Company governing such conversion work within 180 calendar days of the date of the cost estimate or, if not executed within the 180-day period, must request a new cost estimate. A cost estimate preparation charge shall again apply for a new cost estimate. The payment for the conversion work in the agreement shall be based upon the cost estimate. (N)

E. If an applicant requests engineering consultation work for a proposed conversion and if the applicant has not previously paid for such work via a cost estimate preparation charge or a conversion agreement, then engineering consultation charges will apply as provided in Part A5.3.1 of this tariff. In advance of the work, the applicant, at the Company's request, will sign an agreement agreeing to pay those charges. (N)

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FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060822-TL **EXHIBIT** 15
COMPANY AT&T Florida
WITNESS Larry Bishop (LB-1)
DATE 07-24-07

Exhibit A

From: Richard T. Ray [rray@parcgroup.net]
Sent: Monday, September 25, 2006 2:50 PM
To: Liebman, Sharon
Subject: Nocatee Easements

Sharon:

I have referred your request to our attorney who has been working to prepare the form of easement. Please feel free to call her directly. I have called Lynn and told her that she may hear from you.

Lynn Pappas
Pappas, Metcalf, Jenks and Miller
904-353-1980

Also, I am in the process of setting up a meeting to discuss various issues with the Bellsouth business representatives.
Thank you.

Richard T. Ray
(904) 992-9750

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060822-TL EXHIBIT 16
COMPANY AT+T Florida
WITNESS Larry Bishop (LB-2)
DATE 07-24-07

Message

From: M. Lynn Pappas [lpappas@papmet.com]
Sent: Monday, September 25, 2006 5:19 PM
To: Liebman, Sharon
Cc: rray@parcgroup.net

Sharon I just got back into the office from meetings out all afternoon. We are working with our client on the form of the easement and will have it to you as soon as we are able to complete the discussions with Rick and his group. I understand that you communicated with Rick directly last weeking requesting that the form be delivered at a specific time but neither he nor I understand that nature of the deadline you refer to. Can you please elaborate. Thanks.

Confidentiality Notice: The material in this transmission is intended only for the use of the individual to whom it is addressed and may contain information that is confidential. If you have received this transmission in error, please immediately notify us by return e-mail (Lpappas@papmet.com) or telephone (904-353-1980) to arrange for the return of this material to us. Thank you.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060822-TL EXHIBIT 17
COMPANY AT+T Florida
WITNESS Larry Bishop (LB-3)
DATE 07-24-07

From: Diane G. Frederick [dfrederick@papmel.com] on behalf of M. Lynn Pappas [lpappas@papmel.com]
Sent: Tuesday, September 26, 2006 9:12 AM
To: Liebman, Sharon
Subject: BellSouth Form Easement

Sharon:

After listening to your voice mail last evening, I confirmed with Rick that in your phone conversation he indicated that if the document was ready to be forwarded it would be sent Friday or Monday. At this point, we do not have the document in final form, but we will provide it to you as soon as it is available. I simply wanted to clarify so there was no misunderstanding.

Confidentiality Notice: The material in this transmission is intended only for the use of the individual to whom it is addressed and may contain information that is confidential. If you have received this transmission in error, please immediately notify us by return email (lpappas@papmel.com) or telephone Diane Frederick at (904) 353-1980 to arrange for the return of this material to us. Thank you.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060822-TL EXHIBIT 18
COMPANY AT&T Florida
WITNESS Larry Bishop (LB-4)
DATE 07-24-07

Message

From: M. Lynn Pappas [lpappas@papmet.com]
Sent: Thursday, September 28, 2006 10:58 AM
To: Liebman, Sharon ; Jacobs, Phil
Subject: Nocatee service

Sharon, I was able to talk to Rick Ray this morning about your call and requests for an easement document. As you may know there have been a number of meetings between BellSouth reps and Nocatee reps on the construction and development timetable for the Nocatee project and for the delivery of Bellsouth telephone service throughout the Nocatee community. It is our intention that BellSouth have complete access to install facilities and to market and provide all services throughout the non-private communities. Within the private communities, we want BellSouth to provide telephone service, but BellSouth has raised several issues regarding such service. To resolve these matters and provide the necessary easements, Rick Ray would like to pursue this discussion on the business issues and has called Phil Jacobs to set up a meeting in the near future to further these discussions. Until Mr. Ray and Mr. Jacobs have had an opportunity to meet on this issue, it would be premature to circulate any draft easements.

Confidentiality Notice: The material in this transmission is intended only for the use of the individual to whom it is addressed and may contain information that is confidential. If you have received this transmission in error, please immediately notify us by return e-mail (Lpappas@papmet.com) or telephone (904-353-1980) to arrange for the return of this material to us. Thank you.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060822-TL EXHIBIT 19
COMPANY AT&T Florida
WITNESS Larry Bishop (LB-5)
DATE 02-24-07

Nocatee Development Co.

December 13, 2006

VIA COURIER

Mr. Phil Jacobs
President
Bellsouth Corporation
1025 Lenox Park Boulevard
Suite 6A628
Atlanta, Georgia 30319

Re: Forms of Easement

Dear Phil:

On behalf of SONOC Company, LLC, I have attached two (2) forms of easement documents for delivery to BellSouth to provide for construction and installation of BellSouth equipment in the Nocatee community. The first applies to the residential areas within Nocatee abutting public rights of way in which BellSouth has already commenced installation of lines and equipment and would apply to commercial properties within Nocatee. We are putting together the legal description for both easement forms.

The second form labeled "private" in the left hand footer would apply to residential areas abutting private roads.

As we have discussed, we are well under construction in all areas of the Nocatee community. As I have repeatedly indicated to you, it is critical that we receive your written confirmation of your agreement to provide telephone services to all of the Nocatee community prior to or coincident with unit construction as we have requested.

Absent such confirmation, we will be forced to proceed through regulatory process to obtain telephone service from BellSouth. I look forward to hearing from you as soon as possible.

Very truly yours,

NOCATEE DEVELOPMENT COMPANY

Richard T. Ray
President

Enclosure(s)

4314 Pablo Oaks Court ♦ Jacksonville, Florida 32224 ♦ (904) 992-9750 ♦ (904) 992-4114 FAX
(00145203.DOC.)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060822-TL EXHIBIT 20
COMPANY AT&T Florida
WITNESS Larry Bishop (LB-6)
DATE 07-24-07

STATE OF FLORIDA

BELLSOUTH

COUNTY OF_____

Preparer's name:
_____
_____
_____
_____

EASEMENT

For and in consideration of Ten and 00/100 dollars ($10.00) and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the undersigned owner(s) of the premises described below, hereinafter referred to as Grantor, do(es) hereby grant to **BELLSOUTH TELECOMMUNICATIONS, INC.**, a Georgia corporation, its licensees, agents, successors, assigns, hereinafter referred to as Grantee, a non- exclusive easement to construct, maintain, add, and/or remove certain telecommunications wires and facilities under the Easement Property more particularly described below and located in _____ County, Florida and to operate the telecommunications wires and facilities to deliver voice service, all on the terms more particularly set forth below. The Easement Property is more particularly described as follows:

All that tract or parcel of land lying in Section _____ _, Township_____, Range_ _____, _____ County, State of Florida, described as follows:

[Insert Description]

(the " Easement Property").

The following rights are also granted to the Grantee: the right of the Grantee to attach wires or lay cable or conduit or other appurtenances under said Easement Property for telecommunications purposes or electric power transmission or distribution to serve the telecommunications facilities; ingress and egress over said Easement Property at all times; the right, but not the obligation, with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, to clear the Easement Property and keep it cleared of all trees, undergrowth, or other obstructions; the right, but not the obligation, with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, to trim and cut and keep trimmed and cut all dead, weak, leaning or dangerous trees or limbs outside the Easement Property which might interfere with or fall upon the lines or systems of telecommunication or power transmission or distribution; with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, the right at Grantee's cost and expense to relocate said systems of telecommunications on the Easement Property to conform to any future highway relocation, widening, or improvements.

To have and to hold the above granted easement unto Grantee forever and in perpetuity. Grantor warrants that it is the fee owner of the land upon which the above described easement is granted.

There shall be no new installation and/or relocation of any lines or other improvements by Grantee within the Easement Property, after initial installation, without written permission from the Grantor or Grantor's designated successor or assign. Written permission of the Grantor or Grantor's designated successor or assign is not required by the Grantee for any Grantee customary repairs and /or maintenance of the Easement Property.

It is understood that Grantee may use the wires and facilities installed under this Easement for any type of voice service only and the rights granted herein shall specifically exclude delivery of internet/data services and/ or video/television services or telecommunications services other than voice service by Grantee. In addition to enforcement by Grantor, this provision may be enforced at law or in equity (including the right to specific performance and/or injunctive relief) by SONOC Company, LLC, a Delaware limited liability company, its successors or assigns, who is an intended third party beneficiary of this provision.

Grantor reserves the right and privilege to use and occupy and to grant to others the right to use and occupy the surface and air space over the easement area for any purpose which is not inconsistent with the rights herein granted to Grantee and which does not interfere with Grantee's use of the easement area, including, without limitation, the installation, construction, maintenance and use of paving, grass, driveway and sidewalk improvements; provided, however, that Grantor will not plant trees or install structures (other than paving, driveway, sidewalk and similar surface improvements) on top of Grantee's facilities in the easement area.

All facilities and equipment will be installed, operated and maintained at all times beneath the surface of the Easement Property; provided that the same may be temporarily exposed or removed to the surface when necessary or desirable for the purpose of repairing and/or replacing the same.

_____

_____ By:_____

Print Name: _____ Name:_____

_____ Title:_____

Print Name: _____

STATE OF FLORIDA)
)SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 200___, by _____, _____ of _____, a _____, on behalf of the company.

_____
Print Name: _____
NOTARY PUBLIC
State of Florida at Large
Commission # _____

My Commission Expires:
Personally Known [ ]
or Produced I.D. [ ]
[check one of the above]
Type of Identification Produced

BELLSOUTH

BellSouth Telecommunications, Inc.
Network Operations/NE Florida

Robert Suarez P. E., Director
Engineering & Construction
Suite 11AA1, 301 W. Bay Street
Jacksonville, FL 32202-5184
Robert.Suarez@BellSouth.com
Office: 904 350-2220
Fax: 904 634-1774

January 3, 2007

Richard T. Ray
Nocatee Development Company
4314 Pablo Oaks Court
Jacksonville, FL 32224

Re: Forms of Easement - Nocatee

Dear Mr. Ray:

We are in receipt of your December 13, 2006 letter to Phil Jacobs of BellSouth, attaching two proposed forms of easement to BellSouth for areas within Nocatee. The two forms are for:

(1) residential areas in Nocatee abutting public rights-of-way; and

(2) residential areas abutting private roads (for example, the Riverwood and Coastal Oaks subdivisions and, presumably, any other private subdivisions to be located within Nocatee).

You advise that you are preparing legal descriptions for both easement forms. Comments regarding each form follow.

A. It is our understanding that the easement referenced in (1) above would cover 5 foot wide areas adjacent to public rights-of-way (the "Public Areas Easement"). Your representatives, including Michael Daliberti and England Thims & Miller, have requested that BellSouth place certain facilities in these areas, including optical network units, serving terminals and equipment markers. It appears that you have used BellSouth's standard form of easement but have made various changes to it, some of which are unacceptable to BellSouth, as outlined below.

1. The easement refers to placement of "certain telecommunications wires and facilities under" the Easement Property. Please change this to refer to "communications wires and facilities under, upon, or over" the Easement Property (see discussion of the word "over" in 4 below).

2. At the bottom of page 2, you have changed the form to indicate that BellSouth may not install or relocate any equipment in the easement

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060822-TL EXHIBIT 21
COMPANY AT&T Florida
WITNESS Larry Bishop (LB-7)
DATE 07-24-07

areas (except customary repair or maintenance) after initial installation without written permission of the property owner. BellSouth may need to install equipment in the easement area after initial installation from time to time. BellSouth is not comfortable with a requirement for prior written permission in each instance, where easement rights have already been granted for BellSouth to use the area (that permission could be refused or not timely provided, creating problems for BellSouth to provide service, respond to customer orders in a timely manner, and the like). Accordingly, this language needs to be changed. As a middle ground, suggested alternate language follows:

Following installation of Grantee's facilities within the Easement Property, Grantee will use its best efforts to notify Grantor of any major new installations or facilities within the Easement Property prior to installation.

3. At the top of page 2, you have added a paragraph regarding Grantor's right to use the easement area for non-interfering uses, including paving and grass. Please add the following clarifying sentences at the end of the new paragraph: Notwithstanding the foregoing, if any of such improvements interfere with Grantor's use of the Easement Property, Grantee may remove them, or Grantor shall remove them promptly after notice by Grantee to Grantor to that effect. If Grantor fails to do so promptly after such notice, Grantee may do so and charge the costs therefor to Grantor. Grantee has no obligation to relocate its facilities within the Easement Property to accommodate any such improvements.

4. You have changed the form to indicate that all BellSouth equipment will be placed underground, but BellSouth will need to place aboveground equipment in the easement areas to provide service. In fact, as discussed above, your representatives have specifically requested the placement of aboveground facilities in the easement areas. So, please remove the last paragraph on page 2.

B. For the easement referenced in (2) above (the Private Easement), it is our understanding that you plan to direct the Coastal Oaks developer and Riverwood developer (Toll Jacksonville Limited Partnership and Pulte Home Corporation) and developers of other private subdivisions in Nocatee to grant to BellSouth an easement for each subdivision in the form you have provided. The Private Easement form includes the changes referenced in A. above, so BellSouth's comments apply here too. Also, the Private Easement form is restricted to voice-only services. It provides that . . . [BellSouth] may use the wires and facilities installed under this Easement for any type of voice service only and the rights granted herein shall specifically exclude delivery of internet/data services and/or video/television services or telecommunications services other than voice service by [BellSouth]. As BellSouth has previously discussed with you, this restriction is unacceptable to BellSouth.

While we understand that the parties may continue to disagree over the form of Private Easement containing the voice-only restriction, at a minimum, please provide to us a revised form of the Public Areas Easement that recognizes our comments above, so that we can work toward an acceptable Public Areas Easement to accommodate placement of BellSouth

facilities in those areas (to serve non-private developments and commercial areas). Also, we will need to review the proposed legal descriptions for the Public Areas Easement.

Sincerely,

Ronald T. Luthell

Robert Suarez

for

Cc: Gary Hoffman

PAPPAS METCALF JENKS & MILLER

D. TODD COTTER
ROBERT G. GREGABLE
THOMAS W. HOBART
THOMAS M. JENKS
ROBERT A. STAPLEY, III
JOHN G. METCALF
FRED F. MILLER
M. LANE PAPPAS
LARISA POMERANTZ-SHAW

SPENCER N. CUMMINGS
CHARLES L. GIBBS
N. WILLIAM J.
ANGELA M. SANABIA
STAC M. REWIS
JOSEPH J. VAN HOOY
KATHRYN E. WITTINGTON

January 23, 2007

VIA COURIER

Robert Suarez, P.E., Director
Engineering & Construction
BellSouth Telecommunications, inc.
Network Operations / NorthEast Florida
301 W. Bay Street, Site 11AM
Jacksonville, Florida 32202-5181

Re: Forms of Easement - Nocatee

Dear Mr. Suarez:

Rick Ray has forwarded to me your letter of January 3, 2007 commenting upon easement forms previously delivered to you by Mr. Ray with respect to service by BellSouth in the Nocatee community included in his December 13, 2006 letter to Phil Jacobs. The following is in response to the comments in your January 3rd letter:

With regard to your comments in subsections (1) and (2), you are correct that the easement forms that we provided were to address residential areas in Nocatee abutting public rights of way referred to as the "Public" communities and residential areas abutting private roads (which includes Riverwood and Coastal Oaks subdivisions) and referred to as "Private" communities.

After consultation with Mr. Ray and the project construction team and engineer, we have been advised that our construction staff has been coordinating with BellSouth field representatives on specifics associated with the installation of services by BellSouth within the Public communities for a number of months. It is my current understanding that BellSouth and Comcast have agreed to joint trenching of parallel lines within the right of way of areas to be dedicated as public roads. Within these Public communities, there will be two instances in which additional easements over private properties will be required. First, to locate RT boxes within a customary footprint and second, a location for BellSouth pedestals within a 5-foot easement adjacent and parallel to the public rights of way and within the lot frontage abutting the public rights of way. Michael Dalfiero with The PARC Group advises that this is a template for the line installation and easement structure for BellSouth within all of the Public communities. As a result, the easement form that we provided would be revised to specify the precise improvements which would be placed by BellSouth within the 5 foot and RT easement areas. In this regard, we would appreciate your assistance in describing both the RT facility and the "pedestals" since this

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060822-TL **EXHIBIT** 22
COMPANY AT&T Florida
WITNESS Larry Bishop (LB-8)
DATE 07-24-07

will be the specific purpose of the easement grant. When this language is clarified, it will address your comment in subsection A.1. of your letter.

With regard to your comments in subsection A.2., we are agreeable to your suggested change; although I have modified the language slightly to address notification of successors and assigns as designated by Grantor.

With regard to your comments in subsection A.3., we are also agreeable to the change you suggested with some minor changes and with a similar modification to address designated successors and assigns.

With regard to your comments in subsection A.4., since both the RT Facility and the pedestals are aboveground facilities, it would be acknowledged that these would be aboveground facilities, but the connecting lines would be provided underground.

Modified forms of easement to both "Private and Public" communities are attached to this letter for your review and consideration. As indicated in the bracketed provisions, we would appreciate your input for greater clarity on the RT unit and pedestal description.

With regard to your comments in subsection B., as you know BellSouth has initiated proceedings before the Public Service Commission in which it requests release from any COLR obligation to provide telephone service within the private areas of the Nocatee community. Our position with regard to the scope of the easement to be granted and the nature of the telecommunication services to be provided by BellSouth within the private easement areas was clearly articulated in the form of easement we originally provided and those provisions have not been changed.

Thank you for your attention to these matters and we look forward to your comments on the enclosed revisions and resolution of the form of easement for the Public communities.

Sincerely,

M. Lynn Pappas

MLP/df
Enclosure

cc: Richard T. Ray (w/encl. via Email)
Floyd Self (w/encl. via Email)
Spencer Cummings (w/encl. via Email)

STATE OF FLORIDA

BELLSOUTH

COUNTY OF

Preparer's name:

EASEMENT

For and in consideration of Ten and 00/100 dollars ($10.00) and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the undersigned owner(s) of the premises described below, hereinafter referred to as Grantor, do(es) hereby grant to **BELLSOUTH TELECOMMUNICATIONS, INC.**, a Georgia corporation, its licensees, agents, successors, assigns, hereinafter referred to as Grantee, a non- exclusive easement to operate, construct, maintain, add, and/or remove ~~certain telecommunications wires and facilities~~[RT Unit] [Pedestal Facilities] (the "Facilities") under the Easement Property more particularly described below and located in County, Florida, all on the terms more particularly set forth below. The Easement Property is more particularly described as follows:

All that tract or parcel of land lying in Section , Township , Range , County, State of Florida, described as follows:

[Insert Description]

(the " Easement Property").

The following rights are also granted to the Grantee: the right of the Grantee to attach wires or lay cable or conduit or other appurtenances ~~under said Easement Property~~ to attach to the Facilities for telecommunications purposes or electric power transmission or distribution to serve the telecommunications facilities; ingress and egress over said Easement Property at all times; the right, but not the obligation, with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, to clear the Easement Property and keep it cleared of all trees, undergrowth, or other obstructions; the right but not the obligation, with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, to trim and cut and keep trimmed and cut all dead, weak, leaning or dangerous trees or limbs outside the Easement Property which might interfere with or fall upon the lines or systems of telecommunication or power transmission or distribution; with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, the right at Grantee's cost and expense to relocate said systems of telecommunications on the Easement Property to conform to any future highway relocation, widening, or improvements.

To have and to hold, the above granted easement unto Grantee forever and in perpetuity. Grantor warrants that it is the fee owner of the land upon which the above described easement is located.

~~There shall be no new installation, relocation of any lines or other improvements by Grantee within the Easement Property after initial installation without written permission from the Grantor or Grantor's designated successor or assign. Written permission of the Grantor or Grantor's designated successor or assign is not required by the Grantee for any Grantee customary repairs and/or maintenance of the Easement Property.~~

Following installation of the Facilities within the Easement Property, Grantee will use its best efforts to notify Grantor or its designated successor or assigns of any major new installation within the Easement Property prior to such installation.

Grantor reserves the right and privilege to use and occupy and to grant to others the right to use and occupy the surface and air space over the ~~easement area~~Easement Property for any purpose which is not inconsistent with the rights herein granted to Grantee and which does not interfere with Grantee's use of the ~~easement area~~Easement Property, including, without limitation, the installation, construction, maintenance and use of paving, grass, driveway and sidewalk improvements; provided, however, that Grantor will not plant trees or install structures (other than paving, driveway, sidewalk and similar surface improvements) on top of Grantee's facilities in the ~~easement area~~Easement Property. Notwithstanding the foregoing, if any such improvements interfere with Grantees use of the Easement Property, Grantee shall provide written notice to Grantor or its successor or assigns as owners of the Easement Property and, at the option of such owner, they shall remove such improvements or request Grantee to remove such improvements at owner's expense. Grantee has no obligation to relocate its Facilities within the Easement Property once installed to accommodate such improvements.

All facilities and equipment will be installed, operated and maintained at all times beneath the surface of the Easement Property~~; provided that the same may be temporarily exposed or removed to the surface when necessary or desirable for the purpose of repairing and/or replacing the same~~. **except [RT Unit / Pedestal Facilities].**

_____

_____ By: _____

Print Name: _____ Name: _____

_____ Title: _____

Print Name: _____

STATE OF FLORIDA)
)SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 200___, by _____, _____ of _____, a _____, on behalf of the company.

_____
Print Name: _____
NOTARY PUBLIC
State of Florida at Large
Commission # _____
My Commission Expires:
Personally Known [ ]
or Produced I.D. [ ]
(check one of the above)
Type of Identification Produced
_____

Document comparison done by DeltaView on Wednesday, January 10, 2007 10:21:08 AM

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Format change	
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Moved cell	
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Moved to	0
Style change	0
Format changed	0
Total changes	18

STATE OF FLORIDA

BELLSOUTH

COUNTY OF

Preparer's name:

EASEMENT

For and in consideration of Ten and 00/100 dollars ($10.00) and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the undersigned owner(s) of the premises described below, hereinafter referred to as Grantor, do(es) hereby grant to **BELLSOUTH TELECOMMUNICATIONS, INC.**, a Georgia corporation, its licensees, agents, successors, assigns, hereinafter referred to as Grantee, a non- exclusive easement to construct, maintain, add, and/or remove certain telecommunications wires and facilities under the Easement Property more particularly described below and located in County, Florida and to operate the telecommunications wires and facilities to deliver voice service (the "Facilities"), all on the terms more particularly set forth below. The Easement Property is more particularly described as follows:

All that tract or parcel of land lying in Section , Township , Range , County, State of Florida, described as follows:

[Insert Description]

(the " Easement Property")

The following rights are also granted to the Grantee: the right of the Grantee to attach wires or lay cable or conduit or other appurtenances under said Easement Property for telecommunications purposes or electric power transmission or distribution to serve the telecommunications facilities; ingress and egress over said Easement Property at all times; the right, but not the obligation, with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, to clear the Easement Property and keep it cleared of all trees, undergrowth, or other obstructions; the right, but not the obligation, with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, to trim and cut and keep trimmed and cut all dead, weak, leaning or dangerous trees or limbs outside the Easement Property which might interfere with or fall upon the lines or systems of telecommunication or power transmission or distribution; with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, the right at Grantee's cost and expense to relocate said systems of telecommunications on the Easement Property to conform to any future highway relocation, widening, or improvements.

To have and to hold the above granted easement unto Grantee forever and in perpetuity. Grantor warrants that it is the fee owner of the land upon which the above described easement is granted.

~~There shall be no new structures, buildings~~ [illegible] by Grantor on any part of the Easement Property after initial installation, such consent not to be unreasonably withheld from the Grantor or Grantor's designated successor or assign. Written permission of the Grantor or Grantor's designated successor or assign is required by the Grantee for any Grantee excavations within the Easement Property.

Following installation of the Facilities within the Easement Property, Grantee will use its best efforts to notify Grantor, or its designated successor or assignee, of any major new installation within the Easement Property prior to such installation.

It is understood that Grantee may use the [illegible] and [illegible]Facilities installed under this Easement for any type of voice service only and the rights granted herein shall specifically exclude delivery of internet/data services and/ or video/television services or telecommunications services other than voice service by Grantee. In addition to enforcement by Grantor, this provision may be enforced at law or in equity (including the right to specific performance and/or injunctive relief) by SONOC Company, LLC, a Delaware limited liability company, its successors or assigns, who is an intended third party beneficiary of this provision.

Grantor reserves the right and privilege to use and occupy and to grant to others the right to use and occupy the surface and air space over the [illegible] and Easement Property for any purpose which is not inconsistent with the rights herein granted to Grantee and which does not interfere with Grantee's use of the easement area/Easement Property, including, without limitation, the installation, construction, maintenance and use of paving, grass, driveway and sidewalk improvements; provided, however, that Grantor will not plant trees or install structures (other than paving, driveway, sidewalk and similar surface improvements) on top of Grantee's facilities in the easement area/Facilities in the Easement Property. Notwithstanding the foregoing, if any such improvements interfere with Grantees use of the Easement Property, Grantee shall provide written notice to Grantor, or its successor or assigns, as owners of the Easement Property and, at the option of such owner, they shall remove such improvements or request Grantee to remove such improvements at owner's expense. Grantee has no obligation to relocate its Facilities within the Easement Property once installed to accommodate such improvements.

All facilities/Facilities and equipment will be installed, operated and maintained at all times beneath the surface of the Easement Property; provided that the same may be temporarily exposed or removed to the surface when necessary or desirable for the purpose of repairing and or replacing the same, except [RT Unit / Pedestal Facilities].

_____

_____
Print Name

By: _____

Name: _____

_____
Print Name

Title: _____

STATE OF FLORIDA }
;SS
COUNTY OF }

The foregoing instrument was acknowledged before me this ____ day of _____, 200__, by _____, _____ of _____, a _____, on behalf of the company.

_____
Print Name: _____
NOTARY PUBLIC
State of Florida at Large
Personally Known [ ]
or Produced I.D. [ ]

[check one of the above]
Type of Identification Produced

_____

Document comparison done by DeltaView on Tuesday, January 23, 2007 10:11:02 AM

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Format changed	0
Total changes	24

STATE OF FLORIDA

BELLSOUTH

COUNTY OF _____

Preparer's name:
_____
_____
_____
_____

EASEMENT

For and in consideration of Ten and 00/100 dollars ($10.00) and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the undersigned owner(s) of the premises described below, hereinafter referred to as Grantor, do(es) hereby grant to **BELLSOUTH TELECOMMUNICATIONS, INC.**, a Georgia corporation, its licensees, agents, successors, assigns, hereinafter referred to as Grantee, a non- exclusive easement to operate, construct, maintain, add, and/or remove **[RT Unit] [Pedestal Facilities]** (the "Facilities") under the Easement Property more particularly described below and located in _____ County, Florida, all on the terms more particularly set forth below. The Easement Property is more particularly described as follows:

All that tract or parcel of land lying in Section _____, Township_____, Range_____, _____ County, State of Florida, described as follows:

[Insert Description]

(the "Easement Property").

The following rights are also granted to the Grantee: the right of the Grantee to attach wires or lay cable or conduit or other appurtenances to attach to the Facilities for telecommunications purposes or electric power transmission or distribution to serve the telecommunications facilities; ingress and egress over said Easement Property at all times; the right, but not the obligation, with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, to clear the Easement Property and keep it cleared of all trees, undergrowth, or other obstructions; the right, but not the obligation, with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, to trim and cut and keep trimmed and cut all dead, weak, leaning or dangerous trees or limbs outside the Easement Property which might interfere with or fall upon the lines or systems of telecommunication or power transmission or distribution; with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, the right at Grantee's cost and expense to relocate said systems of telecommunications on the Easement Property to conform to any future highway relocation, widening, or improvements.

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installation, construction, maintenance and use of paving, grass, driveway and sidewalk improvements; provided, however, that Grantor will not plant trees or install structures (other than paving, driveway, sidewalk and similar surface improvements) on top of Grantee's facilities in the Easement Property. Notwithstanding the foregoing, if any such improvements interfere with Grantees use of the Easement Property, Grantee shall provide written notice to Grantor or its successor or assigns as owners of the Easement Property and, at the option of such owner, they shall remove such improvements or request Grantee to remove such improvements at owner's expense. Grantee has no obligation to relocate its Facilities within the Easement Property once installed to accommodate such improvements.

All facilities and equipment will be installed, operated and maintained at all times beneath the surface of the Easement Property except [RT Unit / Pedestal Facilities].

_____

_____ By: _____

Print Name: _____ Name: _____

_____ Title: _____

Print Name: _____

STATE OF FLORIDA }
}SS
COUNTY OF _____}

The foregoing instrument was acknowledged before me this ____ day of _____, 200__, by _____. _____ of _____, a _____, on behalf of the company.

_____
Print Name: _____
NOTARY PUBLIC
State of Florida at Large
Commission # _____
My Commission Expires:
Personally Known [ ]
or Produced I.D. [ ]
[check one of the above]
Type of Identification Produced
_____

STATE OF FLORIDA

BELLSOUTH

COUNTY OF _____

Preparer's name

_____

_____

_____

_____

EASEMENT

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[Insert Description]

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It is understood that Grantee may use the Facilities installed under this Easement for any type of voice service only and the rights granted herein shall specifically exclude delivery of internet/data services and/or video/television services or telecommunications services other than voice service by Grantee. In addition to enforcement by Grantor, this provision may be enforced at law or in equity (including the right to specific performance and/or injunctive relief) by SONOC

Company, L.L.C. a Delaware limited liability company, its successors or assigns, who is an intended third party beneficiary of this provision.

Grantor reserves the right and privilege to use and occupy and to grant to others the right to use and occupy the surface and air space over the Easement Property for any purpose which is not inconsistent with the rights herein granted to Grantee and which does not interfere with Grantee's use of the Easement Property, including, without limitation, the installation, construction, maintenance and use of paving, grass, driveway and sidewalk improvements; provided, however, that Grantor will not plant trees or install structures (other than paving, driveway, sidewalk and similar surface improvements) on top of Grantee's Facilities in the Easement Property. Notwithstanding the foregoing, if any such improvements interfere with Grantees use of the Easement Property, Grantee shall provide written notice to Grantor, or its successor or assigns, as owners of the Easement Property and, at the option of such owner, they shall remove such improvements or request Grantee to remove such improvements at owner's expense. Grantee has no obligation to relocate its Facilities within the Easement Property once installed to accommodate such improvements.

All Facilities and equipment will be installed, operated and maintained at all times beneath the surface of the Easement Property; provided that the same may be temporarily exposed or removed to the surface when necessary or desirable for the purpose of repairing and/or replacing the same, except [RT Unit / Pedestal Facilities].

_____

_____ By: _____

Print Name _____ Name: _____

_____ Title: _____

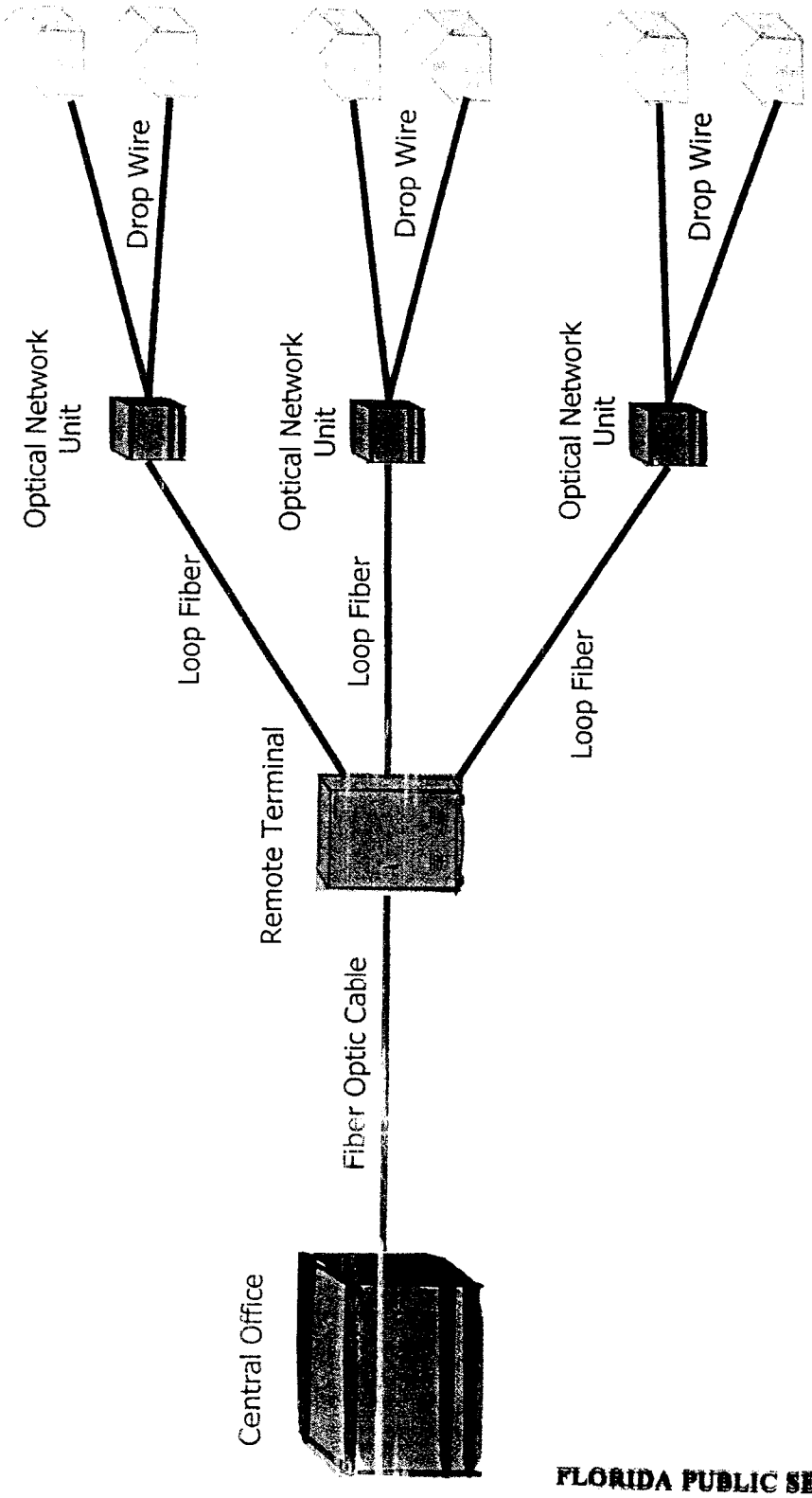
Print Name

STATE OF FLORIDA }
}SS
COUNTY OF }

The foregoing instrument was acknowledged before me this ____ day of _____, 200__, by _____, _____ of _____, a _____, on behalf of the company.

_____
Print Name: _____
NOTARY PUBLIC
State of Florida at Large
Personally Known [ ]
or Produced I.D. [ ]
[check one of the above]
Type of Identification Produced
_____

Fiber to the Curb Architecture



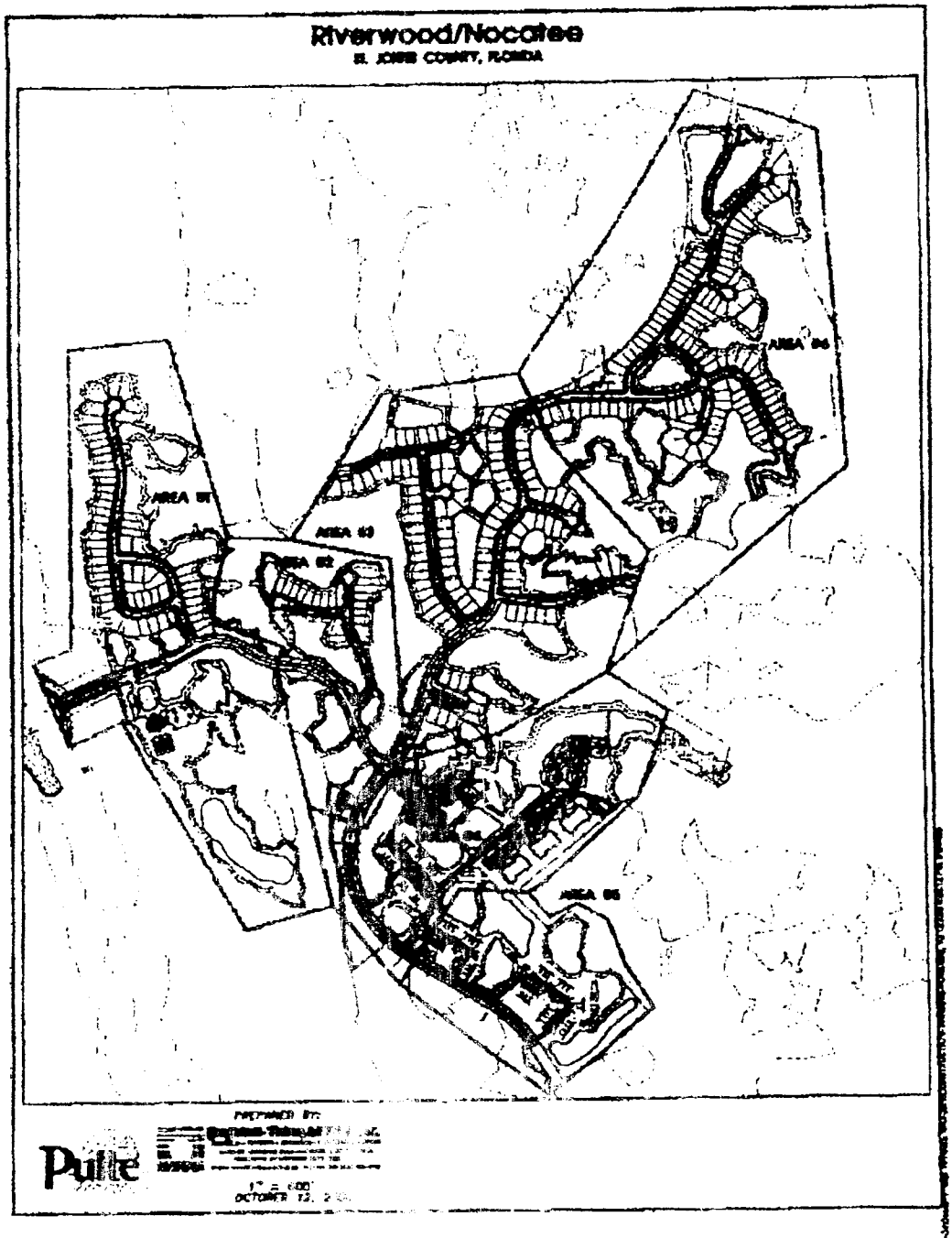
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060822-TL EXHIBIT 23
COMPANY AT&T Florida
WITNESS Larry Bishop (LB-9)
DATE 07-24-07

CONFIDENTIAL

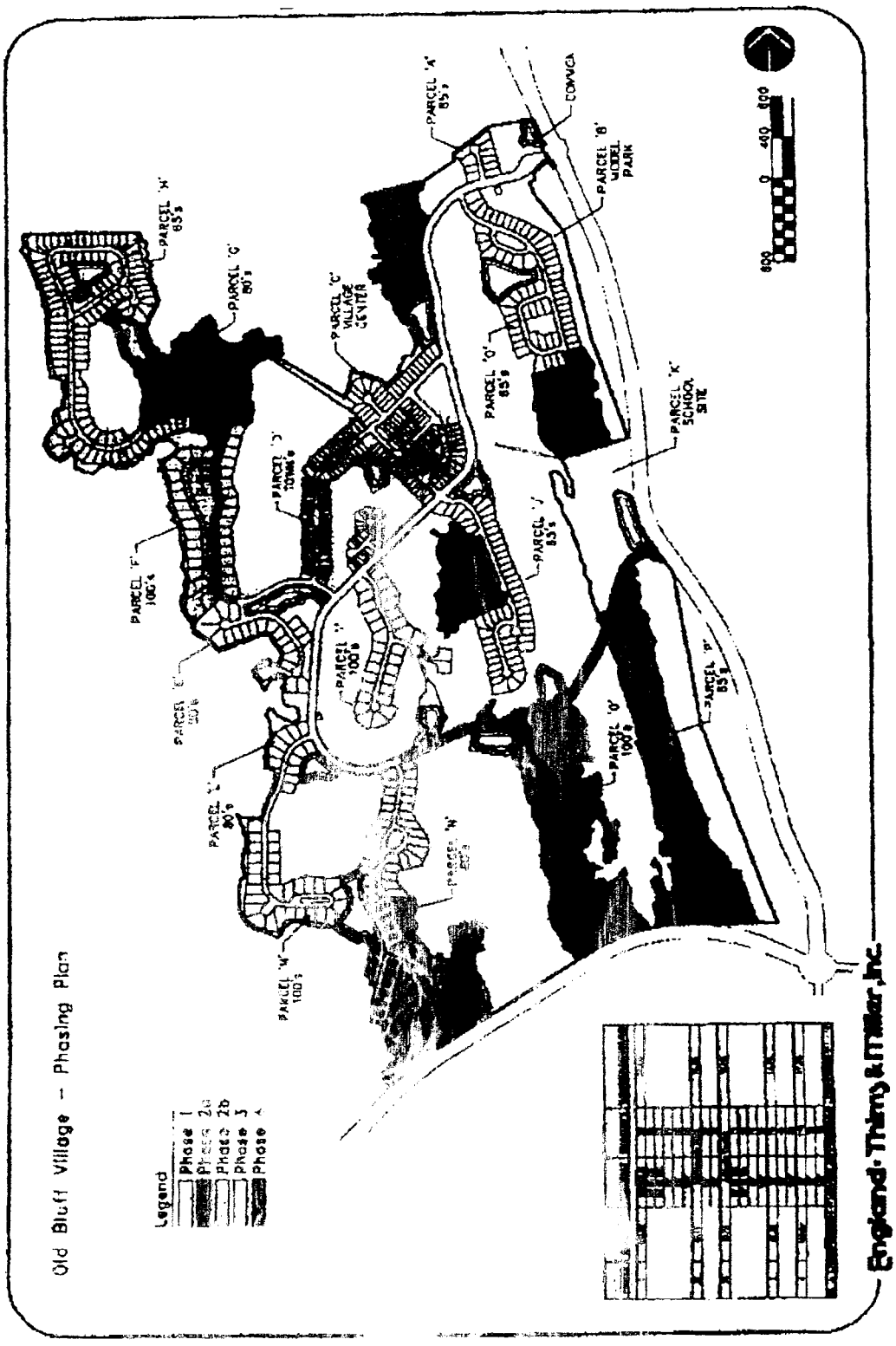
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060822-TL EXHIBIT 24
COMPANY AT&T Florida
WITNESS Larry Bishop (LB-10)
DATE 07-24-07

Docket No. 060822-TL
Exhibit LB-10
(1 page)

ENTIRE EXHIBIT IS CONFIDENTIAL



FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060822-TL EXHIBIT 25
COMPANY AT&T Florida
WITNESS Larry Bishop (LB-11)
DATE 07-24-07


Old Bluff Village - Phasing Plan
Legend
Phase 1
Phase 2a
Phase 2b
Phase 3
Phase 4
PARCEL 'A'
PARCEL 'B'
MODEL PARK
PARCEL 'C'
VILLAGE CENTER
PARCEL 'D'
PARCEL 'E'
PARCEL 'F'
PARCEL 'G'
PARCEL 'H'
PARCEL 'I'
PARCEL 'J'
PARCEL 'K'
SCHOOL SITE
PARCEL 'L'
PARCEL 'M'
PARCEL 'N'
PARCEL 'O'
PARCEL 'P'
CONVICA
England-Thims & Miller, Inc.

CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060822-T EXHIBIT 26
COMPANY AT&T Florida
WITNESS Larry Bishop (LB-12)
DATE 07-24-07

Docket No. 060822-TL
Exhibit LB-12
(3 pages)

ENTIRE EXHIBIT IS CONFIDENTIAL

CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060822-TL EXHIBIT 27
COMPANY AT&T Florida
WITNESS Larry Bishop (LB-13)
DATE 07-24-07

Docket No. 060822-TL
Exhibit LB-13
(8 pages)

ENTIRE EXHIBIT IS CONFIDENTIAL

CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060822-TL EXHIBIT 28
COMPANY AT&T Florida
WITNESS Larry Bishop (LB-14)
DATE 07-24-07

Docket No. 060822-TL
Exhibit LB-14
(2 pages)

ENTIRE EXHIBIT IS CONFIDENTIAL

REQUEST: For purposes of the following request, please refer to AT&T's responses to Staff's First Set of Interrogatories, No. 14.

(a) Please explain what is meant by ". . . AT&T performed the five year exchange analysis on a general basis . . ."

(b) Is assessing CIAC to consumers in Florida a common practice?

(c) If the response to (b) is affirmative, does AT&T have any information (anecdotal or otherwise) as to how often this might occur in a typical year?

(d) If the response to (c) is affirmative, please indicate how often this would likely occur.

RESPONSE: (a) See response to Item No. 27 (a).

(b) No. The majority of special construction charges are associated with requests for moves of existing facilities and temporary service, which would not have the five year exchange analysis applied.

(c) N/A.

(d) N/A.

RESPONSE PROVIDED BY: Rick Vinson, Specialist-Network Services

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060822-TL EXHIBIT 29
COMPANY AT+T Response to
WITNESS Staff's 2nd Request for Interrogatories
DATE 07-24-07 No. 28

REQUEST: For purposes of the following request, please refer to the direct testimony of AT&T witness Shiroishi, page 21, lines 19-22.

(a) By way of clarification does AT&T contend that this Commission should find that AT&T should be allowed to assess line extension charges to developers for the provision of new facilities contiguous to existing communities, whether or not a COLR waiver is granted?

(b) If the response to (a) is negative, please fully clarify AT&T's position.

RESPONSE: (a) Yes.

(b) N/A.

RESPONSE PROVIDED BY: Beth Shiroishi - Sr. Director, Regulatory Planning & Policy

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060822-TL EXHIBIT 30
COMPANY PSC Staff's 1st Set of
WITNESS Interrogatories - No. 16
DATE 07-24-07

REQUEST: For purposes of the following request, please refer to AT&T's response to Staff's First Set of Interrogatories, No. 18(d).

(a) Please explain why the values shown on the summary sheet do not match the values shown on the various detailed sheets.

(b) Please identify the source for the Capital Cost per Line.

RESPONSE:

(a) The NPV model that generated the documents previously produced is a dynamic spreadsheet model that allows a user to input different values for certain variables and obtain the results of those scenarios. Because it is a dynamic model, different variables would drive different results. It appears that the summary sheet was printed when the variable for cost of capital (referred to as the "discount rate" in the model) was input as 14%[1]. In researching the answer to this question, additional documents responsive to the request were found and are attached hereto.

It is important to note that the NPV model was not and has not been used in calculating the special construction costs for the Nocatee build or the five times annual revenue analysis that have been submitted in this case and to the developer. The NPV model was an internal tool used in the early phases of involvement with the Nocatee development to achieve basic economic understanding of serving the development.

[1] There appears to be a typographical error in the summary spreadsheet previously provided for the 20 year NPV value for a 10% takerate level as the correct figure should be 1,341,683.

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RESPONSE: (Cont.)

(b) The capital cost per line includes the "Unit Price Home Pass" on the third page of the document provided in response to Item Number 1 of Staff's First Data Request on January 29, 2007. In addition to the amount for the "Unit Price Home Pass", the capital cost per line includes costs for allocated fiber feeder cable, a basic exchange switch port, Edge Aggregation Router/Broadband Aggregation Router, interoffice facilities and gateway costs. The internal NPV model included these costs, but for purposes of our special construction bill provided to Nocatee, these charges were excluded.

RESPONSE PROVIDED BY: Beth Shiroishi - Sr. Director, Regulatory Planning & Policy
Larry Bishop – Supervising Manager,
Network Operations Support